

INDEPENDENT

Pick up a video at the newsagent's or have it delivered with your paper

See page 7

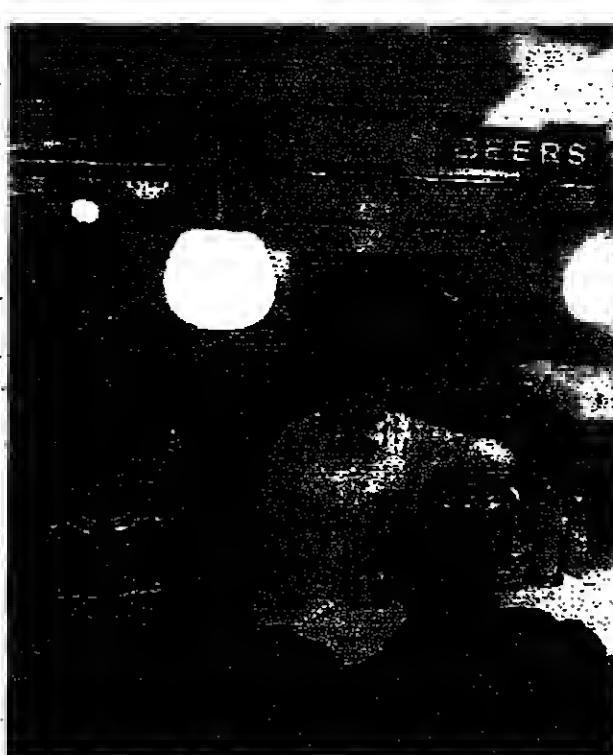


Will our children ever be safe?

Education, Section Two, page 16

Ministers admit possible link between mad cow disease and human deaths

## 'We considered killing all the 11m cattle in the entire national herd'



Meet of the matter: The scene at a Bristol butcher's yesterday, left; diners at a north London burger bar; and (from left) John Patterson, Stephen Dorrell and Douglas Hogg at the press conference to announce the new fears over CJD

DONALD MACINTYRE, LIZ HUNT and CHARLES ARTHUR

Britain was last night facing one of its biggest public health crises after the first scientific advice to the Government that there was a possible link between 10 fatal cases of Creutzfeldt-Jakob Disease and eating beef infected with BSE - "mad cow disease".

Ministers were struggling to contain public alarm as it emerged that one option was destruction of the "national herd" - in other words all 11 million cattle in Britain. One of the Government's scientific advisers said last night: "We did consider killing off the entire national herd. It would have been an incredible step, but it has always been in the minds of people dealing with this disease that it might be necessary."

"If by next year there are 500 CJD

cases, then the herd won't survive. The revelation that eating BSE-infected beef was the likely cause of death of the 10 people who suffered CJD flew in the face of repeated ministerial assurances since 1985 that it was safe to eat beef.

Stephen Dorrell, Secretary of State for Health, yesterday passed on scientific advice that the risk of eating beef was "extremely small". But ministers will wait until after an emergency weekend meeting of the Government's Spongiform Encephalopathy Advisory Committee (SEAC) before deciding whether to issue specific advice on whether their children should be eating beef.

Douglas Hogg, Minister of Agriculture, sought to bolster confidence by declaring a series of new emergency measures - including tough new curbs on the use of meat in animal

feed. He added: "We believe that beef can be eaten with confidence."

Sir Kenneth Calman, the Chief Medical Officer - who last night wrote to all GPs in Britain passing on the latest scientific findings - said he would continue to eat beef "as part of a varied and balanced diet".

Mr Dorrell insisted in his statement that there is "at present" no evidence that children are more at risk of contracting CJD. But he added: "Parents will be concerned about im-

plications for their children and I have asked the advisory committee to provide specific advice after their next meeting."

The measures announced by Mr Hogg include a requirement that cattle aged over 30 months must be deboned in licensed plants supervised by the Meat Hygiene Service, and a blanket prohibition on the use of mammal meat and bone meal in feed for all animals in feed for all farm products. This means that cat-

tle waste will not be allowed in any feed - including that for poultry. He also said that existing controls in abattoirs and other meat plants would be more rigidly enforced.

He told the Commons he did not believe the findings would "damage consumer confidence and thus the beef market". But he added that financial support was available for farmers through the Common Agricultural Policy and the Government would "monitor the situation".

Harriet Harman, shadow Health Secretary, welcomed the measures but said public confidence on the issue was "hanging by a thread". Accusing Mr Dorrell of giving "yet more false assurance" by reporting Sir Kenneth's intention to go on eating beef, she pointedly asked whether he and members of SEAC would "in practice" give their children beef.

In emergency sessions last Saturday and again on Tuesday, SEAC considered 10 cases of people under 40 who had died from CJD. Experts from the Edinburgh CJD Surveillance Unit had established that a full review of possible causes "had failed to explain these cases adequately".

The report added: "Although there is no direct evidence of a link, on current data and in the absence of any credible alternative, the most likely explanation at present is that these cases are linked to expo-

sure to BSE after the introduction of the Specified Bovine Offal Ban in 1989." The 1989 ban - a direct response to the outbreak of BSE - forbade the use of brain and spinal cord in cattle feed.

Professor John Patterson, chairman of SEAC, said: "We have now arising in 1994 and 1995, 10 cases of a variant of CJD that we have not seen before. The incubation period of spongiform encephalopathies is five to 15 years. This suggests something new was happening in the middle of 1985 that would have resulted from exposure in the middle to the late 1980s... [This] drives us inevitably to the conclusion that the most likely risk factor for these cases in the middle 1980s, is exposure to BSE."

Dr Rob Will, head of the National CJD Surveillance Unit, added: "We are reporting a new phenomenon; a major cause for concern."

### Inside

Questions and answers; Other countries call for beef ban; Inside Parliament; David Aaronovitch; The scientific debate, page 2; Leading article, letters, page 18

View from the meat eaters, the butchers, and the breeders; government regulations; school meals, page 3; Andrew Marr, page 19

## Depression leads to painful death

JOJO MOYES

The last painful months of Michelle Bowen are typical of those of many of the victims of CJD. From being a fun-loving young mother she became an "out of control" depressive who had to be locked in her home for her own safety. She died in hospital last November, aged 29, three weeks after her baby son was born by emergency caesarean section.

Stephen Dorrell, the Health Secretary, yesterday revealed that scientists had detected a possible link between BSE and the infection of 10 people aged under 42 with Creutzfeldt-Jakob Disease. The Department of Health refused to reveal who the 10 victims were but Michelle Bowen is believed to have been among them. Her husband Anthony, 35, said yesterday that he was considering suing the Government for failing fully to research CJD.

The former butcher's shop assistant, whose husband also worked in an abattoir, began suffering from severe mood swings and memory loss during



Peter Hall: Vegetarian victim of the early stages of her pregnancy

"When Michelle started to change I thought it was a prenatal depression," Mr Bowen said. "Then things began to get worse and worse. She became aggressive towards the children and quite often she didn't know what she was doing. One minute she'd be fine and the next she would be screaming and shouting."

"On more than one occasion,

she left the house with the TV and radio blaring, lights on and the door wide open. She'd run into the street and collapse... I had to lock her in the house so she wouldn't just run off and forget where she was."

Mrs Bowen went into hospital six weeks before she was due to give birth but had to be moved to a side ward because of her aggression. After her son Tony was born she entered a coma and never recovered.

Stephen Churchill, a student of Devises, Wiltshire, died in May 1995, aged 19, 12 months after becoming depressed and dizzy.

His mother, Dot Churchill, said her son sank into a living nightmare of madness and terrifying hallucinations. "He was a very out-going young lad at school. He was doing his A levels and he was in the Air Training Corps. But gradually he became very withdrawn and depressed and the doctors thought he had a teenage depression."

"The once gregarious teenager then began to suffer horrifying hallucinations - known as

TURN TO PAGE THREE

## Case that set alarm ringing for scientists

DONALD MACINTYRE and CHARLES ARTHUR

Scientists first began to suspect there was a new strain of Creutzfeldt-Jakob Disease in 1994 when an 18-year-old was diagnosed as having the disease.

The fact that the victim was unusually young attracted the attention of the CJD Surveillance Unit in Edinburgh, which later matched it with a growing number of cases in British teenagers. There had previously been only four cases in the world in people aged under 30.

The first person to contract CJD is still alive, Victoria Rimmer, 18, is on a life-support system in Wrexham - Maelor Hospital, north Wales, and first showed signs of the disease in 1993. CJD was diagnosed by brain biopsy after she fell into a coma, in which she remains.

The government's expert advisory panel, the Spongiform Encephalopathy Advisory Committee (SEAC), was strengthened in December by specialists with a wider range of knowledge. The work of the surveillance unit also became in-



Increasingly important. But diagnosing CJD is a slow business, requiring a full post-mortem and analysis of brain tissue samples.

But the evidence from the four teenagers who died most recently led Rob Will, the unit's director, to an alarming conclusion - that a new form of CJD had cropped up.

SEAC's chairman, Sir John Patterson, realised that the new scientific evidence from Edinburgh was so serious that it

would have to be drawn to the attention of the Government. He convened a meeting of the committee last Saturday to consider the report, and passed on SEAC's conclusions to Sir Kenneth Calman, the Chief Medical Officer, later that weekend. Ministers were given his summary on Monday morning.

By Tuesday Whitehall went into overdrive as SEAC met until nearly midnight to draft their recommendations - returning to finalise their report yesterday morning, an effort which left them "exhausted". John Major summoned Stephen Dorrell, Secretary of State for Health, and Douglas Hogg, Agriculture Minister, for a meeting at Downing Street - at which it was agreed that a ministerial statement would have to be made.

The SEAC papers were then brought to Mr Hogg and Mr Dorrell, already at Downing Street for a Cabinet meeting on electoral strategy. But ministers discussed CJD for almost an hour and approved Mr Dorrell's request to SEAC to consider at its meeting next weekend what advice to give parents.

### 'Humble' Major

John Major played the class card, portraying himself as a man of humble origins pitted against a middle-class Labour Party which wants to keep "people without position or money" in their place. He sought to portray Labour as a party of privileged people who seek to deny privileges to others. Page 4

### Burning issue

Consumers are confused by information on sunscreen labels and are misunderstanding vital advice about how long they can stay in the sun, according to a new report. Only one in five understands what a cream's Sun Protection Factor means, and more than half want more information. Page 5

### Check on teachers

Head teachers will be given the names of incompetent staff by schools inspectors, under a new code of conduct that was published yesterday. But very good teachers will be picked out for commendation, and there are also plans to grade all teachers on a seven-point scale in future. Page 7

### Mixed fortunes

Many of the worst councils in England and Wales improved last year, the Audit Commission said yesterday. But average performers on the whole did not improve - suggesting that there may be limits to the value of what are in effect the commission's league tables of council performance. Page 5

### Fields of death

"The boy stepped on a buried mine. It was not big enough to kill him, but the mine blew off his foot just below the shin, and sprayed shrapnel up his chest and into his head, blinding him in one eye." - Tim McGirk on just one Afghan victim of the thousands of mines that plague the country. Page 11

### Today's weather

Cloudy and cold, becoming brighter and milder in the South. Section Two, page 29



## DON'T BE A FOOL THIS APRIL

Miss out on the chance to make the most of your tax-free opportunities before the end of the tax year, and the joke might be on you.

Saving tax-free means that you could improve your returns by giving less to the taxman.

For details of our full range of TESSAs, PEPs and Pensions all you need to do is call into your local branch.

**ABBEY NATIONAL**  
The habit of a lifetime

The value of tax relief depends on your personal financial circumstances and may be affected by future changes in legislation. TESSAs and PEPs are subject to statutory rules and regulations which may change from time to time. Pension products are provided by Abbey National Life, which is regulated by the Personal Investment Authority. PEP products are managed by Abbey National Unit Trust Managers Ltd. Abbey National, the Umbrella Logo and The Habit of a Lifetime are trademarks of Abbey National plc, Abbey House, Baker Street, London NW1 6NL, United Kingdom. 0171 612 4000. ABBEY NATIONAL PLC, WHICH IS REGULATED BY THE PERSONAL INVESTMENT AUTHORITY, ONLY SELLS ITS OWN LIFE ASSURANCE, PENSION AND UNIT TRUST PRODUCTS.

section ONE

BUSINESS 20-24 COMMENT 15-19 CROSSWORD 28 GAZETTE 16 LEADING ARTICLES 18 LETTERS 18 NEWS ANALYSIS 17 OBITUARIES 16 SHARES 23 SPORT 25-28 UNIT TRUSTS 24

section TWO

ARTS 6-14 CHESS 30 CROSSWORD 30 DILEMMAS 4 EDUCATION 15-19 FILM 8-11 LIFE 5 LISTINGS 28-29 REVIEWS 14 TELEVISION & RADIO 31,32 WEATHER 29



## BEEF AT RISK

# Scientists split over dangers of beef-eating

CHARLES ARTHUR and LIZ HUNT

Scientists studying Creutzfeldt-Jakob Disease in the field are still deeply divided about whether BSE can be transmitted to humans, and about the potentially terrifying consequences for the population.

"It's too late for adults, but children should not be fed beef. It is as simple as that," said Stephen Dealler, consultant medical microbiologist at Burnley General Hospital, who has studied the epidemic nature of BSE and its human form, Creutzfeldt-Jakob Disease, since 1988.

He believes that the infectious agent would incubate in children and lead to an epidemic sometime in the next decade.

"Any epidemic in humans would start about 15 years after that in cattle, and about 250,000 BSE-infected cows were eaten in 1990. There could be an epidemic of this new form in the year 2005. These 10 cases were probably infected sometime before the BSE epidemic started."

His worst case scenario, assuming a high level of infection, would be 10 million people struck down by CJD by 2010. He thought it was now "too late" to assume the most opti-

### THE EXPERTS

mistic scenario of only about 100 cases.

But Professor John Bourne, who heads the Medical Research Council's neurodegenerative diseases unit, accepted that while there might be risks through eating beef, they were at worst minimal.

"No scientist working in this area has ever said that there is no risk," he said yesterday. "We just don't know what the facts are. The whole point of setting up the CJD Surveillance Unit in Edinburgh was to look for this sort of evidence. If it is found, it can't be ignored."

Professor John Pattison, chairman of the Government's expert committee on spongiform encephalopathies, warned that the next 12 months would be crucial in determining if the United Kingdom is threatened with an epidemic of CJD.

He said he wanted doctors to report suspected cases as early as possible to the CJD Surveillance Unit in Edinburgh. "We don't have enough information to make any predictions. A new type of CJD is the most probable explanation, but we haven't proved it."

Professor Bourne added that experiments now in progress at the Medical Research Council unit in Edinburgh, to test

whether recent cases of CJD in farmers were due to BSE, would not produce even preliminary results before August.

"But I am not aware of any piece of evidence that has been suppressed. And I have no reason to believe that beef - as in cuts of meat - is anything other than safe. And yes, I would allow my grandchildren to eat beef."

However, Professor Richard Lacey, a microbiologist who has warned of the danger to humans of mad cow disease for the past six years, said he estimated that there will be "between 5,000 and half a million people a year affected by the year 2010-2015."

There is an incubation period of between 10 to 50 years in humans. We didn't actually see the number of cases of BSE rise in cattle until the late 80s."

Prof Lacey gave up eating beef in 1989, and accuses the Government of putting the financial interests of farmers ahead of public health.

"The Government has been deliberately risking the health of the population for a decade. The reason it didn't take action was that it would be expensive and damaging politically, particularly to the farming community who are their supporters."



Meat market: Cattle being herded for sale at Banbury in Oxfordshire.

Photograph: Newsteam

## Ministers' double act confirms air of fear MP's served diet of mad cow and beef-burger

STEPHEN GOODWIN

### THE COMMONS

Public confidence in the Government's handling of "mad cow disease" was "hanging by a thread", Harriet Harman, Labour's health spokeswoman, told the Commons as MPs reacted to the new evidence that the disease can enter the human food chain.

Lighting on Sir Kenneth Calman's assertion that he would continue to eat beef, Ms Harman said the real question was whether the chief medical officer would give beef to his grandchildren. She suggested that parents on the spongiform encephalopathy advisory committee had stopped doing so.

"The time has passed for false reassurance," said Ms Harman. And she called for an end to the type of photocall made famous by John Gummer of ministers feeding beefburgers to their children.

In an unusual move, two Cabinet ministers - Stephen Dorrell and Douglas Hogg - made separate statements to MPs. Mr Dorrell, Secretary of State for Health, disclosed that 10 deaths from Creutzfeldt-Jakob Disease - the human equivalent to mad cow disease - appeared to be linked to exposure to BSE before the 1989 offal ban. Mr Hogg, agriculture minister, announced further action to stop infected material entering the food chain.

Still more unusually, both ministers pointedly refrained from joining the Tory backbenchers in accusing Labour of "scaremongering" and damaging the beef industry.

Harold Elletson, MP for

Blackpool North, asked Mr Dorrell to condemn "extreme vegetarian, anti-farming activists like Ms Harman who are now campaigning to stop children eating meat".

Paul Marland, a farmer and chairman of the Tory backbench agriculture committee, urged ministers not to overreact. Neil Hamilton, MP for Tatton, urged ministers not to forget "the lesson of the salmonella in eggs fiasco some years ago where an incautious word from a minister devastated an industry for no proven benefit to the health of the nation".

The refusal of ministers to play party politics lent weight to the assertion by David Hinchliffe, Labour MP for Wakefield, of "a growing realisation by the Government that we could be facing horrific health problems in future years".

Pressed by Glenda Jackson,

Labour MP for Hampstead and Highgate, to give "stronger advice" to schools and parents about the dangers of small children being fed beef, Mr Dorrell said it is precisely because he understood the sensitivity of that issue that he had asked SEAC for specific advice. "I'm a parent of two young children," he reminded the House. He accepted parents would be concerned but said there was no evidence of age sensitivity.

Mr Dorrell said previous scientific advice had been categorical that there was no possibility of BSE entering the human food chain. "But it is necessary to guard against the possibility that there may be a link that the various controls were introduced."

Explaining the need for the new controls and further research, Mr Dorrell said work at the Government surveillance unit in Edinburgh on 10 cases of CJD in people under 42 had identified a previously unrecognised and consistent disease pattern. "There remains no scientific proof that BSE can be transmitted to man by beef, but the committee have concluded that the most likely explanation at present is that these cases are linked to exposure to BSE before the introduction of the specified offal ban in 1989."

Mr Hogg assured MPs concerned about the beef market that support mechanisms existed within the Common Agricultural Policy and the situation would be monitored closely. But he said the best opinion was that beef and beef products could be eaten with confidence and he would continue to eat it.

From above, the government benches, covered in green leather, could be said to resemble a verdant pasture - a grassy meadow somewhere in the English countryside. And yesterday that meadow was full of some pretty unhappy beasts. Those who represent the agricultural interests of the nation had gathered to hear the word.

The importance of the event was emphasised by the turnout of ministers along the hedgerow at the front. They were all there: Hogg, the secretary of state for Scotland and Wales, Chairman Mawhinney and a dozen more, squashed like farm animals on the Commons.

From their midst arose the pencil frame of Stephen Dorrell, Health Secretary, to make his statement about mad cow disease and its possible connection with an appalling human illness, CJD. Yes, it did now seem possible to the scientific advisory group on BSE that some ill-effects might have been caused by beef eaten before 1989. So new recommendations were being made. Behind him listening animals were shifting nervously from hoof to hoof.

But it wasn't the landed element alone that was concerning Mr Dorrell. The Ghost of Gummer was at his elbow. This was the Gummer who, as Labour's Harriet Harman pointed out, had told Britons there was no evidence of a health-risk from beef - and then gone on publicly to force-feed tiny Cordelia Gummer on beefburgers.

Ms Harman's reference to this savoury incident raised a storm of animal noises from the beef-burgers in the Tory enclosure. One MP, Bernard Jenkin (whose wife has shares in Lord Rayleigh's Dairies and Farms) actually made mooring sounds. "Disgraceful," nickered Dame Elaine Kellett-Bowman ("149 acre-farm in Norfolk").

One after another scions of dairies, owners of abattoirs and heirs to estates stood to express alarm at the damage that could now be suffered by the beef industry - with which they were not entirely disconnected. Harold Elletson ("small



DAVID AARONOVITCH

amount of agricultural land in Lancashire") asked Mr Dorrell to confirm that "children need a healthy and balanced diet which requires meat. And will he condemn extreme vegetarian anti-farming activists?"

No, Mr Dorrell had no opinion about vegetarians, which was sensible of him, since there are many more of them in the electorate than there are farmers. In fact Mr Dorrell had no opinions about anything, he said, having contracted them all out to scientific experts and advisory committees. "When I am asked whether something is safe," Dorrell replied to another point, "I answer that this is a scientific question, and that I cannot answer."

Now, this is a hard code to live by, especially if you are - as Mr Dorrell assured us he is - a parent of young children. When a toddler strays close to a pond, one does not usually stop to call a marine engineer.

Perhaps that was why it took two hours to discover whether Mr Dorrell would continue to eat beef. Presumably he had had to telephone a professor of nutritional science, Minister of Agriculture, Douglas Hogg, had no such problem - he had eaten steak the night before "with total confidence". I tried to imagine what it would be like to eat a meal without "total confidence". Then Nicholas Winterton revealed that he, his wife, his children and his six grandchildren would all eat beef together, and I understood perfectly.

Oh, and Parliament was told that the Chief Medical Officer had announced that he too would continue to eat the meat as "part of a varied and balanced diet". With greens, carbohydrates and lashings of anti-biotics, one guesses.

## To eat or not to eat - the facts behind the disease

CHARLES ARTHUR

**What is BSE?** BSE, which stands for "bovine spongiform encephalopathy", is also known as "mad-cow disease". It is a degenerative disease of the brain found in cows, leading to disorientation followed by dementia and death. Its first recorded occurrence was on a British farm in Ashford, in 1985.

**How and when did it start?** Scientists are still uncertain whether it started from feeding cattle with the remains of sheep infected with "scrapie" (the equivalent to BSE), or if it arose spontaneously in cows.

**What is CJD?** Creutzfeldt-Jakob Disease is a rare degenerative disease in humans which leaves sponge-like holes in the brain, just as BSE does in cows. The early signs are confusion, followed by a rapid descent into dementia. There is no treatment and it is always fatal.

**Why is there such concern about CJD now?** In the past, CJD only seemed to affect people very late in life, but over the past three years there have been a number of

cases in Britain involving CJD in both teenagers and dairy farmers, which stretched coincidence to its limits.

**How are BSE and CJD connected?** Both diseases seem to be caused by changes in a cell-membrane protein known as a "prion". Although BSE can be passed between cattle, until yesterday the Government had always denied that eating BSE-infected beef could cause CJD.

**How much British beef is infected?** The number of cattle with BSE has fallen since hitting a peak in 1992, but some scientists estimate that thousands of cattle in the early stages of the disease slip through checks and enter the food chain.

**How many cases of BSE are there annually? How many of CJD?** The number of cases of BSE appears to be falling, while those of CJD - which on average affects about one per million population in most countries - has recently risen, though not beyond statistical variation. (See table.)

**What steps has the Government taken to minimise the risk to humans and other species?** In July 1988 the Government banned the use of sheep and cow remains for farm feeds. In 1989 it banned the use for human consumption of "specified bovine offals" (SBOs), including the brain, spinal cord, spleen, tonsils and intestines of all cattle over six months old. These were the parts judged most dangerous to eat because of the likelihood of the BSE agent being concentrated there.

**Can any other species get it?** Yes. BSE can be passed to a wide range of animals, including mice, cats, pigs, sheep and goats. However, in some cases it can only be passed by injecting infected material into the animals' brains.

**Is it safe to eat veal?** Opinion is divided on whether veal calves incubate the disease, and whether they could pose any risk to humans; but SBOs are not removed from veal.

**Does BSE affect milk?** It is not thought to, because the prion protein is not found in milk.

## Germany leads way with demand for total ban

IMRE KARACS Bonn  
SARAH HELM Brussels

Germany was last night considering a total ban on British beef imports following the Commons statement, and pressure was building for the European Commission to put Britain in quarantine.

"We would like to err on the

### EUROPEAN REACTION

safe side," Bärbel Höhn, the environment minister of North Rhine-Westphalia, said. "That is why I think that the best solution is to ban British beef from the European Union."

Ms Höhn led the way last month in imposing a unilateral ban on British beef imports. Other German states followed suit, despite warnings from

Brussels that their actions were against European law. In the wake of the admission in London that there might be a connection between BSE and CJD, she feels vindicated.

"We said here in North-Rhine Westphalia that the health of the population must be safeguarded. There was always a question mark over a connection between BSE and people's health. The latest news

tells us we made the right decision."

Since last month, the state has kept hutchers' shelves clear of British beef, but some BSE-infected products could still get in. "At the moment we can't control products that are processed in Britain," Ms Höhn said.

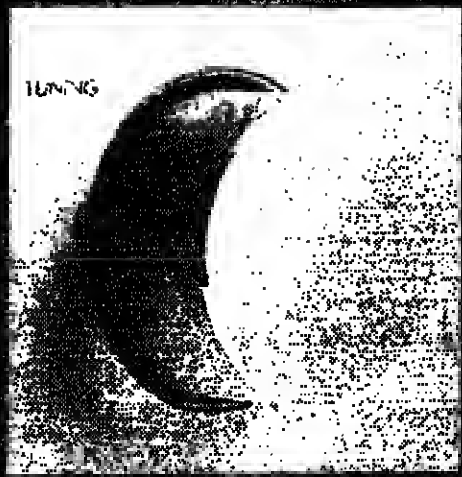
The federal health ministry in Bonn was last night still digesting the implications of the

latest development, but is known to be sympathetic to a cause which some German states have turned into a crusade. The German authorities tried to ban British beef after the first scare, only to run foul of the EU's competition rules.

Now, the European Commission is bracing itself for new pressure. However, agriculture officials in Brussels were last night cautious about whether the

new evidence was sufficiently strong to justify a ban. Veterinary experts will meet tomorrow.

The commission appears to have been angered by the failure of the UK authorities to alert it before the announcement, so that full consultations about possible action could have taken place. "We were somewhat surprised to learn about the pending announcement in a newspaper," said the spokesman.



# 79% of adults tune to Commercial Radio.

Over a four week period, 37.1 million people listen to Commercial Radio. That's a staggering 79% of all UK adults just waiting to hear your message. **Commercial Radio. Its time has come.**

SOURCE: BARAK DE L'NE, ADULTS 16+.

For more information about advertising on Commercial Radio, contact your advertising agency.

Consumer impact  
**Shops**

NFU  
call for  
action

Symptoms  
to demen



## BEEF AT RISK

# Consumer impact: Supermarkets, butchers and burger bars all braced for a sharp fall in multi-million pound sales of meat

## Shops and restaurants braced for the worst

NIGEL COPE and PAUL FIELD

Supermarkets, butchers and burger bars were braced for a sharp fall in beef sales yesterday as British business began to calculate the potential cost of the Government's announcement on BSE.

Supermarkets rushed out statements assuring customers about the quality of their beef but are expecting sales to fall as shoppers switch to other meats, such as chicken and pork.

Sainsbury is considering signs in its stores as well as information labels on beef products but said it was too early to make a

decision. The supermarket groups have not yet decided whether to reduce the amount of shelf space devoted to beef.

Sainsbury said: "Whenever there is any media coverage of BSE there is a noticeable shift away from beef and towards other meat products. We expect the same to happen this time." The company has briefed its customer-service staff, who expect a deluge of calls today as customers seek reassurance on beef quality.

Asda said its beef sales had been increasing in recent months but said it was too early to say how the public might

react to the new fears. Tesco said its beef sales had dipped late last year but had been recovering.

The multi-million-pound British beef industry admitted that the new evidence could dramatically affect sales which recovered well from previous scares. But the Meat and Livestock Commission (MLC) insisted exports would not be hit hard, arguing that consumer confidence abroad would remain high.

Last year the industry saw the value of beef exports increase from £440m in 1994 to £520m, which amounts to 277,000 tons of meat being shipped abroad.

In Britain, the beef industry is worth around £2.3bn to farmers and £4bn on the market. In 1995 Britain consumed 890,000 tons of beef, down by 30,000 in the previous year.

However, sales have slumped with each beef scare since details of BSE emerged in late 1980s and the MLC fears sales will be affected by the latest development in the BSE furor.

A spokesman said: "There is no direct evidence of a link but we are concerned about any adverse effects on trading. Inevitably it could result in some people going out of business." Sales fell by 17 per cent fol-

lowing the beef scare before Christmas, although February figures showed a 5 per cent recovery. Sales plummeted by 20 per cent after the major BSE scare five years ago, but recovered within nine months.

Owing to previous recovery trends, the MLC hopes the industry will cope with the latest scare.

"There have been no signs that French and Spanish consumers have any interest in this problem at all. They are satisfied with the work being done through the veterinary agencies," a spokesman said.

The Vegetarian Society predicted a rise in the number of

people abandoning meat as a result of fears over the safety of beef.

Spokesman Steve Connor said one of the growing trends is that people are giving up meat altogether as a result of beef scares. "It is inevitable as beef is traditionally the king of meats."

Burger bars are likely to suffer falling sales, though most were insisting yesterday that they were not worried by the latest developments.

McDonald's, which has 660 outlets in Britain, said it welcomed the Government's moves to tighten controls on the supply and quality of beef. It

stressed that it only used prime cuts of boneless beef "in which BSE has never been detected".

A spokeswoman for Burger King, which has more than 350 British branches, said it would be looking at the Government's comments but added: "We do not, never have and never will use mechanically recovered meat or offal in any kind of product which were the main worries, so we have no worries about our burgers."

An Aberdeen Steakhouse spokeswoman denied that BSE fears had affected profits, saying that none of the findings were concrete. "I think everyone

takes it all with a pinch of salt."

Dewhurst, Britain's largest butchers chain, which was sold to its management last year, is also likely to be affected. The management was not available for comment yesterday.

Many of Britain's largest food companies have been selling their red-meat businesses after falling sales. Hilldown Holdings, the food group which owns Buxted Chickens, has been expanding its poultry interests and will benefit from the latest scare.

Unigate, the dairy group, has established itself as Britain's largest pork producer.

## NFU call for action

PAUL FIELD

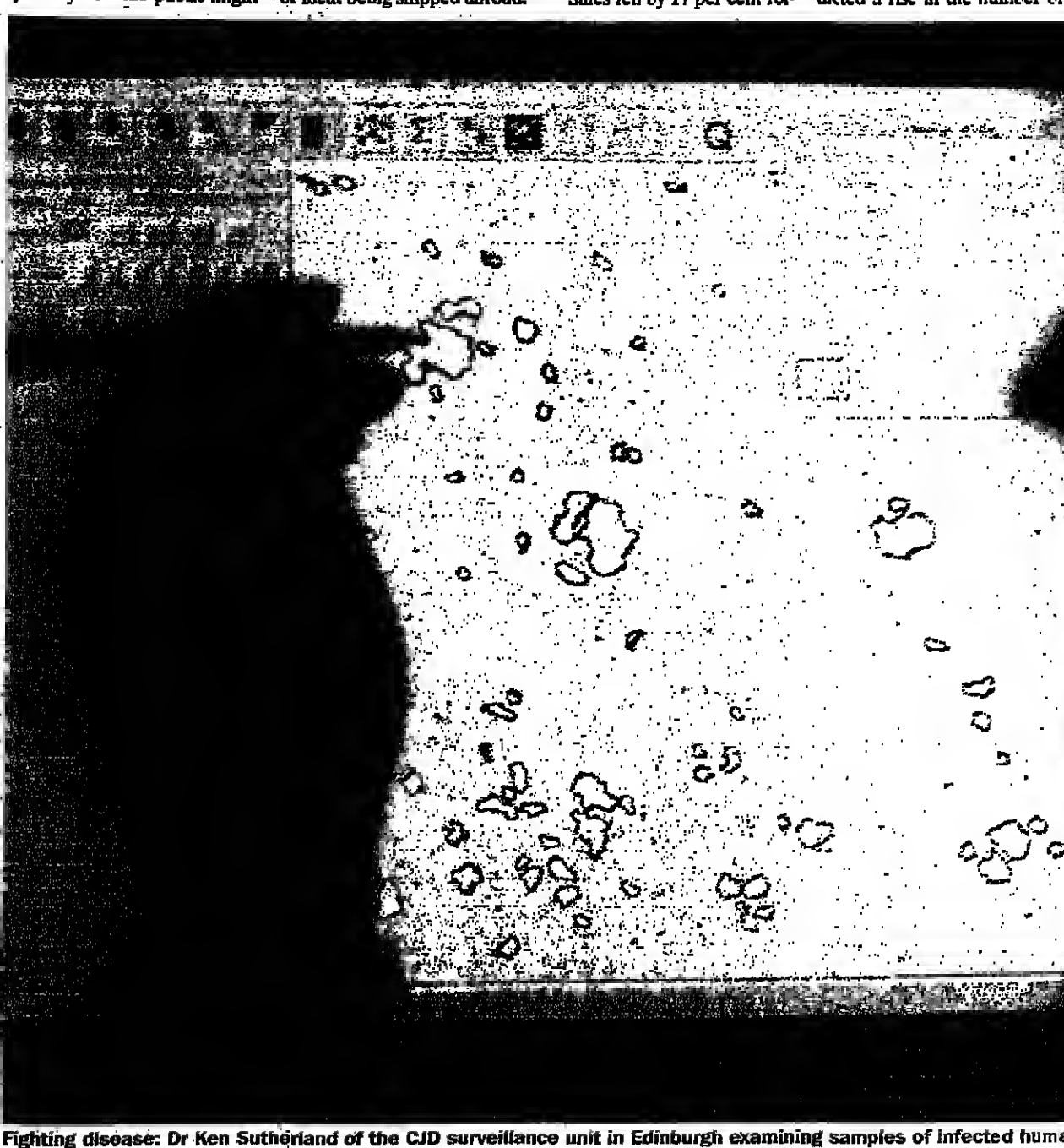
Farmers called on the Government to come clean on all its research into BSE and fears that the disclosure of links between deaths and infected beef will severely affect their livelihoods.

The National Union of Farmers said public confidence in beef could only be maintained by assurances from ministers, and called on the Government to publish all the advice it receives from experts and to act on it fully.

Sir David Naish, president of the NFU, said: "Consumer confidence in the quality of the meat they eat is paramount."

He said new evidence of a link between the human form of mad cow disease and BSE-infected beef would have serious implications for cattle farmers and promised to raise the matter with the Agriculture Minister, Douglas Hogg.

Brian Frith, a Kent farmer whose herd of cattle has never had a case of BSE, said the impact on the beef trade could have been avoided had the Government taken early claims of risks more seriously and set up a programme of slaughtering infected cows. "We do not know if there are risks to humans but infected meat has got into the food chain and beef sales have slumped. All the Government has succeeded in doing is putting the frightenedness on the public and threatening the livelihood of beef farmers."



Fighting disease: Dr Ken Sutherland of the CJD surveillance unit in Edinburgh examining samples of infected human brain (black-ringed areas)

Photograph: Colin MacPherson

## Change of diet on cards

SCHOOLS

Despite the Government's refusal to urge schools not to serve beef products, more headteachers are expected to take it off menus, writes Paul Field.

Schools in many areas, including Essex, Hertfordshire, Lancashire, Surrey and Lincolnshire, already ban it. More than 600 London schools removed beef products from dinners in December. They were acting on advice by the Local Authorities Catering Association. A spokesman said up to 30 per cent of councils had withdrawn beef after pressure from parents. "Even though school meals are in the hands of the private sector, local authorities can exercise their powers to remove certain dishes."

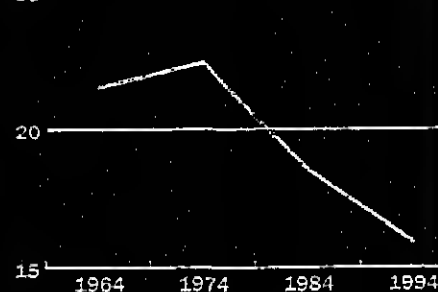
A spokesman for the Association of County Councils said: "It is hard to say at this stage whether all schools will ban beef but it would not surprise me."

Roger Denton, chairman of the Advisory Body for Social Services Catering, is to recommend councils consider withdrawing beef from menus at homes for the elderly, the mentally ill and children in care.

After the scare before Christmas, the vast majority of local authorities withdrew beef completely. There is a school of thought that people should be able to make a choice of their own but many social services can only afford one choice on a menu. It is of great concern, because it is not long ago we were being told there is nothing to worry about at all."

### UK beef & veal consumption

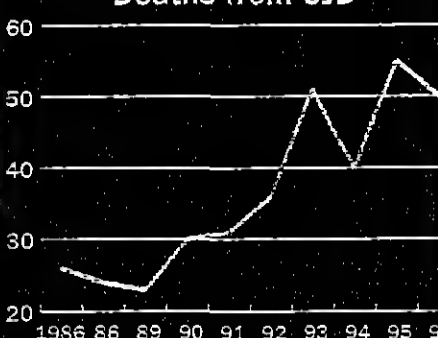
kilograms per head of population



### Deaths from BSE



### Deaths from CJD



## Symptoms lead to dementia

FROM PAGE ONE

"daymares" among the family. His condition began to deteriorate. He became confused, and told his distraught parents that he was planning to get a job in a local shop - which did not exist.

After he was admitted to a psychiatric hospital and then into a neurological department, his parents were told he was suffering from a progressive, degenerative neurological disease - "but nobody would put the name CJD in it. About four months before he died, he started to stagger and it brought back memories of seeing the cows we had seen on the news," Mrs Churchill said.

The most recent victim was a vegetarian student, Peter Hall, 20, of Co Durham, who died in February after two years of the illness. His parents Derek and Frances Hall, both 48, claim he contracted CJD from eating beef for many years. "The most frightening thing was the simi-

larity between his condition and disease we have seen cows suffering from. It included the shaking, nervousness and what appear to be hallucinations," Mr Hall said. "In 12 months we saw him deteriorate into someone who could not walk, talk or do anything for himself."

The mother of Jean Wake, 38, who died in November 1995, years after working as a meat-chopper in a pie factory, was convinced her daughter's death was caused by eating infected meat and campaigned throughout her illness for the link to be established scientifically.

She received a letter from the Prime Minister last October, which said: "I should make it clear that humans DO NOT get mad cow disease."

Yesterday she said she was bitter and angry. "I said all along it was the beef my Jean worked with years ago which killed her. He said there was no link between mad cow disease and humans but I knew that was nonsense," she said.

WILL BENNETT

In the Cock Tavern, in the shadow of the soaring Victorian arches which span Smithfield meat market in London, there were no doubts about the safety of beef yesterday.

At the top of the stairs leading down to the cosy basement restaurant a hand-written poster advertised "the ultimate challenge, Britain's biggest steak". The 40oz Scotch rib steak costing £16.50 is no meal for the faint-hearted.

Every day up to 10 people tackle these monsters and most manage to clear their plates to get a well-earned and by then much-needed free bottle of wine. Those who have scaled this carnivorous Everest include Will Carling. But even England's recently retired rugby captain was unable to beat the record held by one man who ate one of the 40oz giants in 13 minutes without requiring the services of Bart's hospital across the road.

Mike Callaghan, owner of the Cock, said that successive health scares about beef have not affected business. He added: "We get people coming in here to have a steak because their wives won't buy beef any more because they are scared to do so. A lot of people round here think that the health scares are a conspiracy by people with a vegetarian interest."

"There is no evidence of BSE in Scotch and Irish birds and that is the beef I buy upstairs. We sell all steer beef and there is no problem with that, the problem is predominantly in the dairy herds."

His customers were similarly confident. Six computer programmers from a nearby company regularly go to the Cock to eat beef and yesterday five tucked into moderately sized steaks while the sixth plumped for beef stroganoff. One of them, Cecil Adams from Surrey, said: "We love beef and we come here for the steaks."

But there are fears among the 1,000-strong workforce at Smithfield that yesterday's government announcement about new evidence of a link between CJD, the human form of BSE, and infected beef, will further undermine public confidence and cause job losses.

Gordon Hogg, a Smithfield meat trader, said: "Obviously if there is a problem we all want to know about it."

"But it is an unproven link and a lot of people are going to lose their livelihoods if this carries on."

John Everett, chairman of the Smithfield branch of the Transport and General Workers Union, and a porter there for almost 30 years, added: "I have been eating beef all my life and there has never been any inkling of any type of disease being caught from that. I take beef home and we have a roast almost every weekend."

"There are only a few cases of this disease each year and there is no proven link with beef."

We have probably got more chance of winning the National Lottery than we have of catching it from beef.

"We are very depressed about the situation because everyone feels that this is going to have a knock-on effect on jobs in the town. We always notice a slackening off of demand after these scares."

But among the true believers there will always be a market for beef. At Simpsons, in the Strand, that most traditional of British restaurants, the Union flag fluttered outside yesterday and roast Scotch beef was on the menu at £17.50.

John Hampton, a London businessman, smiled as he emerged after eating beef. "It was wonderful, but then it always is here," he said. "I don't believe these health scares but, whatever the truth, let's get this in perspective. I smoke, I drink and frankly eating beef is pretty far down the list of habits which are likely to kill me."

PETER VICTOR

In future, under government regulations outlined yesterday in response to the new findings of the Spongiform Encephalopathy Advisory Committee (SEAC), carcasses from cattle aged over 30 months must be deboned in specially licensed plants supervised by the Meat Hygiene Service and the trimmings kept out of any food chain.

About 4.8 million cattle from Britain's total herd of 11.8 million fall into this category. Most (about 3 million) are dairy cows; the rest are beef breeding cattle.

Those doing the inspections - the Meat Hygiene Service - are part of a privatised government Next Steps agency set up under the Ministry of Agriculture, Fisheries and Food last year. It took over from council environmental health officers who had been responsible for inspecting abattoirs. Its 900 staff include former environ-

RECOMMENDATIONS

mental health officers and other experts in meat hygiene.

The Meat and Livestock Commission pointed out yesterday that most beef joints and steaks sold in supermarkets come from animals under 30 months old. Most older animals end up minced or in processed meat products.

Another major recommendation is that "the use of mammalian meat and bone meal in feed for all farm animals be banned". The use of ruminant remains to feed other ruminants was banned in 1988 but the Government does not know how much of these feeds are given to pigs and poultry.

It announced that public-health watchdogs, in consultation with SEAC, will "have to urgently review their advice in light of the new findings". The final recommendation accepted by the Government yesterday authorises the SEAC "to consider what further research is necessary".

# Switch

If you're thinking of switching to digital, talk to us first.

Available from Dixons, Carphone Warehouse, The Link, Tandy, Currys, Comet, John Lewis Partnership, Granada, Radio Rentals, Tempo, Norweb, Hutchison Telecom Retail, Essom and other leading high street and independent stockists nationwide. Call 0800 80 10 80 for full details.



news

# Major says Labour is party of privilege

JOHN RENTOUL  
Political Correspondent

John Major yesterday played the class card, portraying himself as a man of humble origins pitted against a middle-class Labour Party which wants to keep "people without position or money" in their place.

In the first blow of the new Tory strategy for the election, the Prime Minister sought to portray Labour - without mentioning Tony Blair's name - as a party of privileged people who seek to deny privileges to others.

Central to his offensive, which was endorsed by a special Cabinet meeting without civil servants yesterday, was a pledge to extend selection in schools.

Tory strategists intend to contrast Mr Major, a "grammar school boy" who lived in a small flat in Brixton, south London, with Mr Blair, who was educated at private schools and sends his son out of the London borough of Islington to a grant-maintained school.

In a speech to the Social Market Foundation in London, Mr Major returned to themes that he believes won him the last election, identifying with people who want to get on in life.

"I don't view people without position or money from some lofty pedestal. I was one of them. I remember their hopes and the obstacles in their way."

The Government's plans to extend selective education are, in fact, rather limited - but the Prime Minister clearly hopes to maximise the ideological difference between the parties. He highlighted plans to increase the proportion of children in comprehensives who can be selected on academic ability without seeking government approval for a change of school status.

Mr Blair dismissed Mr Major's speech in advance, saying he did not believe the Government would win votes by "rushing into selection, by [in effect]

saying we want to go back to the 11-plus". He told BBC Radio: "It's extraordinary that the Prime Minister's only real new idea is greater subsidy through the Assisted Places Scheme for private education."

But Mr Major accused Labour of hypocrisy: "Some people would like to abolish selective schools and the Assisted Places Scheme. That's like saying 'we don't want you getting above yourself'. It's lowering humbug. I do want children to get above themselves," he said.

He widened the attack on Labour to jobs and taxes. Describing the unemployed as "a nation in their own right", he pointed out that the EU's 18 million unemployed exceeded the combined populations of Sweden, Denmark and Ireland.

He accepted that those who advocated a minimum wage and signing the European Social Charter "sincerely" want to create jobs. "But wanting isn't doing. It's a sort of wrong-headed piety. It's a mistake the young people of Britain cannot afford," he said.

He claimed the Government was back to a "tax-cutting agenda", and that Labour had not lost its old instincts. Labour said to people who want to take home more of what they earn: "We'll save you the trouble. We'll spend the money for you."

Chris Smith, Labour's social security spokesman, hit back in the Commons by highlighting the Department of Social Security's annual report revealing the rising cost to the taxpayer of welfare benefits. The Government's claim to be able to cut taxes would be unconvincing until it tackled the "massive cost to the taxpayer of the dependency culture the Conservatives have created", he said.

The report shows that spending on benefits has risen by 32 per cent - taking inflation into account - since 1991.



Bleak outlook: Scott memorial restoration costs are put at £2.5m Photograph: Gary Doak

## City may sell off Scott memorial

NIGEL BURNHAM

Edinburgh District Council confirmed yesterday that it was "actively" exploring the possibility of selling the world-famous Sir Walter Scott monument on Princes Street.

The council's recreation committee resolved "to investigate and develop options for the future care and preservation of the monument" after learning that the cost of a total renovation would be in excess of £2.5m. Emergency work was carried out on the monument last year after checks revealed that large areas of sandstone were in a dangerous condition.

The council, which has held informal talks with Historic Scotland about the future of the monument, has applied for National Lottery Heritage funding of £1.8m, but is reluctant to find the rest of the money itself.

One possibility being considered is that the monument could be sponsored. Steve Cardownie, convener of the recreation committee, said: "I wouldn't want to see it re-named the Scottish Widows Scott Monument or anything like that. But the name of the sponsor could be on entrance tickets, leaflets and such like. I think if the thing was properly renovated and well run, it could be a real money-spinner."

Whatever the council decides to do, it will have to win over its trustees, the legal owners, who include the Lord Provost of Edinburgh, the Lord Justice General, the Dean of the Faculty of Advocates and the nearest surviving male descendant of Sir Walter Scott himself.

## Dunblane funerals held

The funerals of four more five-year-old victims of the Dunblane massacre were held yesterday.

The funeral of John Petrie was held at the small Roman Catholic Church of the Holy Family. Many were in an overflow church hall with more outside in the church grounds to hear the service relayed over a small loudspeaker.

Less than an hour later, other mourners were being told how Victoria Clydesdale begged her mother to let her go to school last Wednesday even though she had a rash. Victoria did not want to miss gym class. The Rev William Gilmore told 300 people at Leicestershire Kirk outside Dunblane.

Bouquets and posies formed an array of colour against the grey walls of St Blane's church, where the funeral of Emily Morton took place. Her mother Kathryn was on duty at Stirling Royal Infirmary when news of the massacre broke.

Two hundred yards away, the funeral of Mhairi McBeath was held at Dunblane Cathedral. Her father Murray, a lecturer in religious studies at Stirling University, died in October.

## Phone bills could fall by £80

MARY FAGAN  
Industrial Correspondent

Household telephone bills could fall by £80 a year within five years following pricing proposals from the industry watchdog, Ofcom.

The clampdown by Don Cruickshank, director general of Ofcom, comes in spite of BT's opposition and won approval from consumer groups.

Mr Cruickshank said prices could fall by up to 27 per cent in the four years from 1997. A typical household paying £50 per quarter now could be paying £20 less in 2001.

The proposals were attacked as "severe" by BT, which said controls may slash investment and cause more job losses.

Ofcom expects price controls will be abandoned in 2001, when competition should be in place. The regulator said until that happens, he must listen to the concerns of consumers who have little choice other than BT.

A National Consumer Council spokeswoman said: "It is backed under pressure to lift the overall cap on BT."

BT under pressure, page 20  
Comment, page 21

### IN BRIEF

#### Footballers appear in court

Footballers Bruce Grobbelaar, John Fashanu and Hans Segers faced allegations of match-fixing yesterday when they appeared in court at the start of a committal hearing. They arrived at Eastleigh magistrates court, in Hampshire, to be charged - along with Malaysian businessman Heng Suan Lim - of conspiring together between 1 February 1991 and 15 March 1995 to corruptly give or accept money as inducements to influence the outcome of football matches or as rewards for having done so.

Fashanu, 32, the ex-England and Aston Villa striker is charged with corruptly giving Grobbelaar £40,000 for influencing the outcome of the Liverpool v Newcastle United game on 21 November, 1993, which Liverpool lost 3-0. He is also accused of giving Segers, the Wimbledon goalkeeper, £19,000 for improperly influencing the Wimbledon v Liverpool match on 22 October, 1994. Wimbledon lost 3-0. Grobbelaar, 38, and Segers, 33, are charged with corruptly accepting the money. Reporting restrictions were not lifted and bail was granted. The hearing resumes today.

#### Mental health problems growing

A "dramatic" increase in mental distress and depression has occurred in Britain over the last 50 years with one in four people every year suffering a mental health problem, according to the charity MIND. Their audit on the mental health of the nation shows that six times as many people are being referred to specialist psychiatric services now, compared with 50 years ago.

#### Beatles put Oasis in the shade

The Beatles are poised to storm into number one spot in the album charts by ousting young pretenders Oasis. Anthology II, released on Monday, is outselling the Manchester band's (What's the Story) Morning Glory? by a ratio of 3-1.

#### Police appeal over dead baby

Police last night appealed for a mother to come forward after an hours old baby boy was found dead in a carrier bag on a waste burner. The dumped infant, who still had his umbilical cord attached, was found by factory workers in Middlesbrough and is thought to have died due to a lack of medical care at birth.

#### £130,000 Bounty at auction

A private archive of material about the Mufinny on the Bounty sold for £130,950 yesterday. The 201 lots of books, paintings, and papers sold for well above pre-sale estimates at Bonham's in Knightsbridge, London.

THE INDEPENDENT ABROAD	
Austria ... Sch40 ... 11.00	Belgium ... 11.00
Canada ... 11.00	Denmark ... 11.00
France ... 11.00	Germany ... 11.00
Greece ... 11.00	Italy ... 11.00
Japan ... 11.00	Norway ... 11.00
Spain ... 11.00	Sweden ... 11.00
Switzerland ... 11.00	USA ... 11.00

## Direct lifeline is thrown to savers

Daily Express 31.1.96

## Time to bail out from the banks and building societies.

	£1,000-£2,499	£2,500-£4,999	£5,000-£9,999	£10,000-£14,999	£15,000-£24,999	£25,000-£49,999
Direct Line Instant Access Account	4.60%	4.60%	5.00%	5.60%	5.80%	6.00%
Woolwich Premier 90 (90 Day Notice)	N/A	N/A	3.50%	4.15%	4.15%	5.00%
Yorkshire Building Society Key 90 Plus	N/A	N/A	N/A	4.60%	4.60%	5.00%
Halifax Solid Gold (90 Day Notice)	3.30%	3.30%	3.60%	4.35%	4.35%	4.85%

Why choose between instant access and high interest when you can have both? In fact our new savings plan has rates so high they even beat the 90 day notice accounts shown above. Haven't saved up enough to get the rate you want? Why not pool your savings with up to five other people and you'll all benefit from the rate the combined balance offers even though you run your accounts separately. So if you want a better return on your savings, call one of our hotlines below.



0181 667 1121 LONDON  
0161 833 1121 MANCHESTER  
0141 221 1121 GLASGOW

CALL ANYTIME 8am to 8pm Monday to Friday and 9am to 5pm Saturday. Please quote ref. IND4

Direct Line Financial Services Limited, 139 West Regent Street, Glasgow, G2 2BQ is a member of the Deposit Protection Scheme established under the Banking Act 1987 (as amended). Payments under the scheme are limited to 90% of a depositor's total deposits subject to a maximum payment to any one depositor of £18,000 (or ECU 20,000 if greater). Further details of the Scheme are available on request. \*The gross rate is the rate paid without the deduction of Income Tax. All rates shown are subject to variation and are based on annual payment of interest. Direct Line and the red telephone on wheels are the trade marks of Direct Line Insurance plc and used with the permission of Direct Line Insurance plc. For your added security, all telephone calls will be recorded and the recording kept secure. We may also monitor telephone calls with the aim of improving our service to you.

# Dixons

## ALL THESE DEALS HALF PRICE

**SANYO PH70 STEREO HEADPHONES**  
● Closed back style.  
● Hi-fi sound.  
● Soft cushioned earpads.  
Was £17.99.  
**£8.99**

**SANYO PH40V STEREO HEADPHONES**  
● In-ear style.  
● Volume control.  
● 24K Gold plug.  
Was £15.99.  
**£7.99**

**BBC CD590 AUDIO TAPE 7-PACK**  
Was £8.99.  
**£4.49**

**DIXONS 24 EXPOSURE FILM 3-PACK**  
100 ISO  
Total Separate Selling Price £8.40  
**£4.19**

**MGM 880 VIDEO TAPE 4-PACK**  
● Studio grade.  
● 12 hours recording time.  
Total Separate Selling Price £15.  
**£6.99**

**SCOTCH 240 VIDEO TAPE 5-PACK**  
20 hours recording time.  
Total Separate Selling Price £30.  
**£14.99**

**Dixons** There's a great deal going on

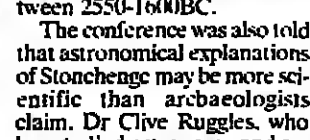
345 BRANCHES NATIONWIDE TEL: 0181-200 0200 FOR YOUR NEAREST BRANCH



# Sunbathers kept in the dark over 'safe-sun' advice

Nearly 65 per cent of women

Last month two leading cancer charities, the Cancer Research Campaign and the Imperial Cancer Research Fund, launched their own sunscreens, with profits being ploughed back to research into the treatment of the disease.



our whole collection," Jane Clarke, assistant director, said. The BFI has also asked the National Heritage Lottery Fund £40m to digitise its archives and £10m to expand the Museum of the Moving Image (Momi). It also hopes for £10m from the Arts Council to build London's first IMAX large-screen cinema.

The idea is that Momi will be updated with material from the past 15 years when the Institute cinches a West End site for the National Film Theatre, now at the South Bank. This is intended to be a permanent museum. Discussions are continuing for the use of the Rialto cinema in Piccadilly, central London.

The BFI said the new plans would affect 140 of its 520 staff. But many could be redeployed.

The Grolto Tower is the pinnacle of a 50-year career. Seidler came to Britain from Vienna before the outbreak of the Second World War, but was interned. He sailed to Canada where he began his studies, moving to Harvard where he was taught by the former Bauhaus masters Walter Gropius and Joseph Albers.

On graduation he went to work as chief assistant to the Hungarian architect Marcel Breuer in New York. Most of his work has been in Australia.

Seidler is at present working on a "self-contained community" on the banks of the Danube outside Vienna: 60 years on, he has returned home.

PLEASE HAVE YOUR CREDIT CARD AND THIS ADVERTISEMENT HANDY WHEN YOU CALL  
AND QUOTE REF 3447. (SORRY WE ARE UNABLE TO ACCEPT SWITCH CARDS)

subject to status and a standard airline contract for each phone with Cellphones Direct Ltd. 185 Lower Richmond Road, Richmond-upon-Thames TW9 1JG  
Full witness details and terms and conditions of this offer are available on request. © Copyright Registered No. 399302

Call free quoting reference 72750

**£1,129**  
**(£1,355.95 incl**  
**delivery + VAT)**



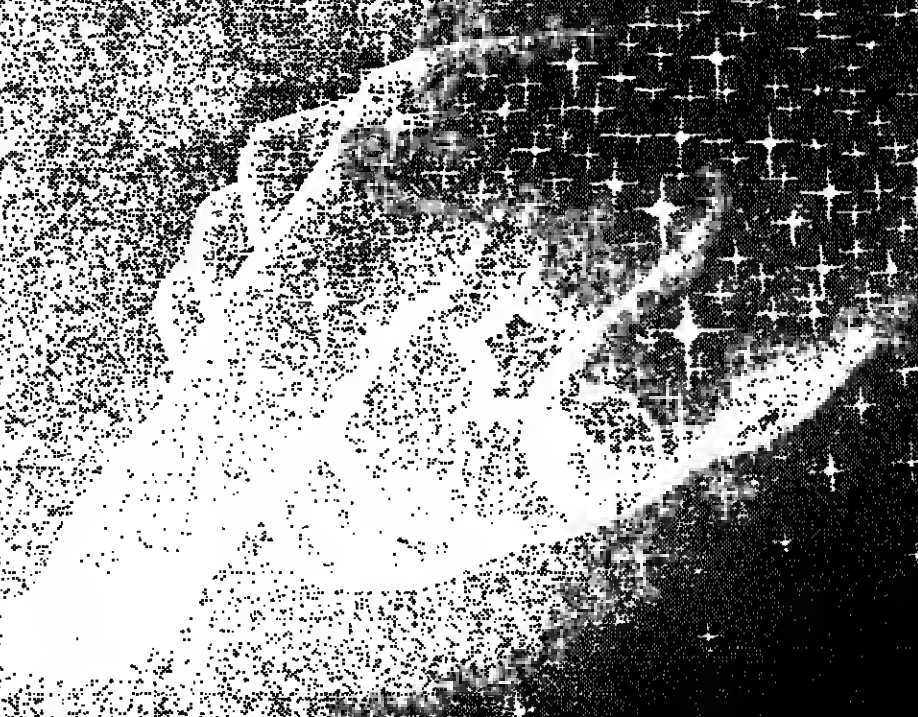
**DELL**  
**DIRECT**

Dell is a registered trademark of the Dell Corporation Corporation Ltd 1992 Intel, Intel Inside Pentium are trademarks or registered trademarks of Intel Corporation, Microsoft Windows, (Other OS) and the Windows logo are registered trademarks of Microsoft Corporation. Not all Dell products are full length PCs some are 2.56 Dell used a different license to many of our business trading 1 year or more. The high-end product may not match the specifications in the advertisement. Dell's products are designed to meet the needs of the time of going to market. Prices change frequently. All prices and specifications are subject to change without prior notice or obligation. In connection with other services, Dell provides a variety of services, such as the Dell e-mail newsletter, a computer warranty, Dell's Dell Corporation Ltd, Milwaukee, Wisconsin, USA. Brand name: DELL® (Intel available for a limited period only)



مكنا من الأجل

# PLAY THE NATIONAL LOTTERY WITHOUT LIFTING A FINGER.



## LUCKY DIP

New! The easiest way to play The National Lottery. You don't have to pick any numbers. Your 'Lucky Dip' marks random selections on its behalf the same as usual and it's available now. Simply ask your retailer, or mark the 'Lucky Dip' box on one or more boards on your playslip. For more information, pick up the 'How To Play' leaflet in-store.

IT COULD BE YOU.



THE NATIONAL LOTTERY

PLAYERS MUST BE 16 OR OVER. The National Lottery is subject to The National Lottery Games Rules and Procedures. © Camelot Group plc.

Worst  
to be r  
by in

Shake-up  
of exams  
urged

DAILY POEM  
New (New Day)



# Worst teachers to be rooted out by inspectors

FRAN ABRAMS  
Education Correspondent

Head teachers will be given the names of incompetent staff by schools inspectors under a new code of conduct published yesterday. But very good teachers will be picked out for commendation, and there are plans to grade teachers on a seven-point scale.

Although the identification of weak teachers will not automatically lead to sackings, the chief inspector of schools, Chris Woodhead, said he did not believe they should be in the profession.

Figures published by Ofsted, the school inspection body, suggested that 15,000 of Britain's 400,000 teachers were seriously underperforming. Plans to identify them were unveiled by John Major in a speech to head teachers last autumn.

Under the new code for inspectors, all teachers given grades six or seven on a seven-point scale will be reported to the head. Those achieving grades one or two will also be mentioned as having performed particularly well. Inspectors used to judge each school department but did not pass on the grades of individual teachers.

Mr Woodhead said the criteria used to identify poor teachers were "pretty damning", though the inspectors' report on its own would not be sufficient to justify dismissal.

"On the evidence of the in-

spection this is not a satisfactory professional performance. I would be deeply unhappy as a parent, let alone as chief inspector, if my child were to be exposed to such teaching," he said.

A teacher given grade six or seven would give badly planned lessons with little purpose or discipline, in which expectations were low and in which pupils learnt little, Mr Woodhead said. In some cases the teacher might not even have the appropriate knowledge or skills.

Conversely a good teacher, graded one or two, would have a sound subject knowledge, high expectations, good classroom discipline and effective planning. He or she would use homework to reinforce what had been learned in lessons.

Mr Woodhead said that very poor teachers should be given six or nine months to improve. If inspectors returned to the school to find them still underperforming, the head's judgement would be called into question, he said.

There was little chance that the best teachers would be rewarded with a pay rise, as few schools had embraced the idea of performance-related pay.

Few head teachers welcomed the move. John Dunford, head of Durham Johnston School in Co Durham and president of the Secondary Heads' Association, said it might actually prevent some bad teachers from being sacked.

"It is perfectly possible for them to escape the inspectors' notice and then to use that as a reason why they should not be subject to competence procedures. This is a thoroughly bad measure," he said.

Michael Russell, head of Malmesbury Junior School in Tower Hamlets, east London, said heads should already know how teachers were performing.

Mr Russell has taken informal competence proceedings twice against members of his own staff. However, both left for other jobs. "If Ofsted came to me and said a teacher was performing at grade six or seven I would already know," he said.

Labour has already put forward similar proposals which would allow inspectors to report on weak teachers.



Golden touch: The craftsman John Bradner regilding a carving as part of the restoration of religious figures and a crucifix designed by Sir Ninian Comper in 1910 which were badly damaged in a blaze at St Michael's church, in Newquay, Cornwall, in 1993. Photograph: Marc Hill

## From April, start making a record

There's no need to make a song and dance about it, but the first Self Assessment tax year begins on April 6th 1996. If you usually receive a tax return it will affect you. From April you'll be under a new obligation to make records of your income and expenses.

### What records do you need to keep .....

They include payslips, bank and building society statements, dividend vouchers, business earnings and receipts, and any other documents that could relate to your tax. Putting these papers in a file or large envelope as you go along will make it easier to fill in your first new-style Self Assessment tax return in April 1997.

### How long do you have to keep them .....

You'll need to keep these records for about two years, or up to six years if you're self-employed. So, starting the new system on the right note will make life a lot easier. If you need help, get in touch with your tax office (or tax adviser if you have one), now.

### How to avoid penalties .....

There will be a clear timetable setting out what you have to do by when. Keeping to the right dates for sending back your tax return and making payments will mean you avoid interest and penalties.

### Read the leaflet in your next tax return .....

To find out more, don't miss the special leaflet we've included with your next tax return, which should arrive soon.

To help further, we've prepared free information guides. If you'd like copies just send us the coupon or telephone our special number, anytime. (All calls are charged at the local rate.)



## Shake-up of exams urged

Thousands of children are capable of taking GCSE exams while they are still at primary school, the head of England's biggest education authority said last night, writes Fran Abrams.

Tim Brighouse, Birmingham's chief education officer and a leading adviser to the Labour Party, called for pupils to take exams when they were ready rather than at a set age.

Four pupils from an inner-city primary school in Birmingham had passed GCSE maths last year and another 650 in the city were capable of doing the same, Professor Brighouse said.

No child should be held back, but, on the other hand, none should be made to take exams they were bound to fail, he said in a lecture to the Royal Society of Arts.

Birmingham is planning to set up a "children's university" to stretch particularly gifted students. Schools will be able to refer such pupils to the university so that they can receive more advanced tuition.

However, Professor Brighouse said slower pupils should not be made to sit GCSE exams before they were ready. "Passing exams is important: it boosts anyone's self-confidence. Failing has the reverse effect."

Cambridge University is still battling to attract state school applicants and shed its Brideshead image 10 years after abolishing its entrance exam, university officials said yesterday, writes Judith Judd.

Cambridge abolished its entrance exam in 1987 because it wanted to bring in more pupils from state schools who might not be equipped to prepare them for a special exam.

The number applying to Cambridge this year is up - the only university to show an increase - but the proportion of state and independent pupils admitted is the same. Yet 69 per cent of students with top A-level grades are from state schools.

Oxford University is to abolish its entrance exam from this autumn for similar reasons.

Entrance to Cambridge is highly competitive. More than 90 per cent of those accepted get at least two grade As and a B at A-level. About 3,000 with three As are turned down.

Susan Stubbs, chairwoman of the University Admissions Forum, said: "We are trying to dispel some of the myths about Cambridge, both the idea that we are 90 per cent public school and that we are biased against independent schools."

### DAILY POEM

#### Norooz (New Day)

By Omar Khayyam and Hafiz of Shiraz

The New Year breeze is sweet upon the rose's cheek,  
In the vast meadow fair is the hearth-enflamer's face.  
The day that is passed was bad, whatever you can say,  
Be merry and do not talk of yesterday, today is good.

Oh heart awake! A messenger approaches  
Whose healing breath like the Messiah's  
Hath the fragrance of the Beloved.

Today is the Spring Equinox, when the sun crosses the earth's equator and enters the constellation of Aries, writes Shusha Guppy. It is also the Persian New Year. From time immemorial ancient Zoroastrians celebrated the end of winter and the arrival of a new season of fertility and abundance. They called it Norooz, which means "the new day" and it survived into the Islamic period as a festival and annual commemoration of Jamshid, the most famous mythical Persian king and inventor of wine. Persian poets have always evoked Norooz as a symbol of hope and renewal, a time when old sorrows are forgotten and love blossoms, when nature's resurrection is reflected in the human heart and soul.

0345 16 15 14  
<http://www.open.gov.uk/intrv/rltinf.htm>  
24hr.....24hr.....24hr.....24hr.....

**Inland Revenue**

Self Assessment - a clearer tax system

Please send me more information about Self Assessment. Please tick a box if you are: Self-employed ☐ Employed ☐ A Pensioner ☐ Seeking work ☐

Name (Mr/Mrs/Miss/Ms)

Address

Postcode

SA/IND/16/1

PLEASE RETURN COUPON TO: SELF ASSESSMENT PO BOX 555 BRISTOL BS99 5UJ



## news

### Legal threat to home-owners

The way is open for thousands of house sellers to be sued for not telling buyers that they have argued with neighbours, solicitors warned yesterday.

Homeowners who do not reveal details about complaints when selling could face compensation claims after the case of a 79-year-old widow left facing bankruptcy when she was sued for misrepresentation.

Violet Lamb had not told the purchasers of her home at Portsmouth of two letters of complaint she had written about her neighbour, who repaired cars in his driveway. She now faces bankruptcy after being ordered to pay £30,000 compensation and costs to the couple who bought the house in 1988.

Duncan Johnson, a conveyancing expert for Churchills solicitors, in Farnham, Hampshire, said the case had huge implications. "Almost any dispute, from boundary questions to loud music and, indeed, tinkering with cars, has to be revealed," he said. "The basis of the claim against Mrs Lamb was a scheme

introduced by the Law Society in 1990 called Transaction, in which vendors filled out a property information form which asks about disputes.

Graham Harris, of the National Association of Estate Agents, said: "This form has proved a nightmare. Very often people approach them in a light-hearted way and are not aware of the consequences." He added: "I think the sentence against Mrs Lamb is very unfair. I cannot believe this was the intention of the Law Society when it introduced the forms."

Mrs Lamb was ordered to pay the couple to whom she sold her four-bedroom house £15,000 costs and £15,000 compensation for loss of money and distress caused. The couple claimed that the noise from next door was intolerable and that they were forced to move out in 1994, selling at a loss.

Robert Sayer, vice-president of the Law Society, said: "There has always been an obligation to answer any questions you are asked accurately and honestly."

### A tale of two boroughs: How life is more efficient on the other side of the street



You can stroll across the street from Liverpool to Knowsley, two of the most deprived local authorities in Britain and two of the biggest spenders. Yet the two boroughs provide very different services. In part because Liverpool's housing stock is older than new town Knowsley's.

Indicator	Liverpool	Knowsley
1.5 wks	Average taken to re-let council houses	6.7 wks
4.8%	% tenants owing 13 weeks rent	18%
94.1%	% council tax collected	81%
£17.85	Cost per dwelling of collecting council tax	£12.67
£25.87	Refuse collection cost per household	£17.28
9.2%	% 75+ helped at home	16%
9%	% adults offered single room in residential home	100%
1.5%	% council stock empty	9%
£4.98	Management cost per dwelling	£7.85
83%	Council tax benefit paid on time	66%
8 days	Time taken to remove fly-tipping	15 days
91%	School places for under-5s	86%
59%	Student awards paid on time	88%
7	Quality of complaints system (score out of 10)	0
£516	Council tax for most households this year	£870

## Worst councils show signs of improvement

NICHOLAS TIMMINS  
Public Policy Editor

Many of the worst councils in England and Wales improved their performance last year, the Audit Commission said yesterday as it produced the second annual set of indicators of local authority performance.

But average performers on the whole did not improve, suggesting there are limits to the value of league tables of council performance.

The figures provide a comparison between councils and for some services provide a comparison for the first time of how well a council did in 1994-95 compared to the previous year. Northampton, for example, slashed 11 weeks off the time it took on average to re-let a council house, turning it from the worst-performing district in the country to an average one.

Hackney equalled that. But its 11-week reduction still left it with the worst performance of any council in England and Wales. The London borough takes six months on average to re-let its empty homes.

Middlesbrough slashed its rent arrears, moving from having a quarter of its tenants more than 13 weeks behind - the worst district performance last year - to around 10 per cent. And Selby, in Yorkshire, moved from a little lower than average last year to the bottom place.

Some good performers also slipped. Liverpool saw its record for preparing draft statements of special educational needs on time slip from 95 per cent, the best rate in the country last year, to 43 per cent, a steep decline.

LONDON BOROUGH	METROPOLITAN COUNCIL	ENGLISH DISTRICTS
<b>Improved most</b>	<b>Improved most</b>	<b>Improved most</b>
Lewisham (L)	Sunderland (L)	West Dorset (MO)
Hammersmith & Fulham (L)	Warrington (L)	West Somerset (MO)
Merton (L)	South Tyneside (L)	New Forest (Hamp)
Croydon (L)	Birmingham (L)	Weymouth (MO)
Havering (L)	Barnet (L)	Wiltshire (MO)
Westminster (C)	Knowsley (L)	Wiltshire (MO)
<b>Deteriorated most</b>	<b>Deteriorated most</b>	<b>Deteriorated most</b>
Kensington and Chelsea (L)	Oldham (L)	Wiltshire (MO)
Wokingham (Hamp)	Manchester (L)	Wiltshire (MO)
Wokingham (Hamp)	Doncaster (L)	Wiltshire (MO)
Leeds (L)	Walsford (L)	Wiltshire (MO)
Islington (L)	Barnet (L)	Wiltshire (MO)
Eding (L)		

Figures calculated by the Independent from a limited sample of 100 councils. Councils show the widest range of performance. Includes 100 councils. Councils with 100 or more council houses. Councils with 100 or more council houses. Councils with 100 or more council houses.

Councils will face hard questions over the findings. Conservatives were delighted that Labour-controlled Manchester was the highest spender per head outside London. It had one of the worst council tax collection records, the worst record for planning applications, recycled less household waste than the year before and had the second-worst record outside London of tenants more than 13 weeks in arrears. Manchester was below average in the time it took to re-let council houses and performed abysmally in preparing special educational needs statements.

Labour was pleased that Westminster and Wandsworth, the two Tory flagships, proved to be average-to-good rather than outstanding performers, with Westminster recording high costs for some services.

Last year's tables may have contributed to improvements by the worst councils, the commission believes. "People do not like seeing themselves at the bottom," Andrew Foster, the controller of the Audit Commission, said yesterday. The public "didn't want excuses" about poor services. "They want to know what is going to happen to improve them."

Local authorities which perform around the average ought to be more ambitious, he said. "Small differences in performance can produce big results." A 1-per-cent improvement in collecting the council tax can provide 40,000 hours of home help in a metropolitan authority. Some councils use the indicators to set targets for themselves - an approach the others should adopt, Mr Foster added.

Roger Freeman, Minister for Public Services, said the figures meant "local government has nowhere to hide" if it is inefficient. Frank Dobson, Labour's local government spokesman, confirmed Labour would continue the indicators if it wins power, "beefing up" the Audit Commission's powers to intervene where councils fail to improve services.

David Rendel, the Liberal Democrats' local government spokesman, said he was "particularly pleased" the councils which recycled most waste were controlled by his party.

Local Authority Performance Indicators, Volumes 1 and 2. Audit Commission, HMSO. £7

## Rises in council tax to average 6.2%

JOHN RENTOU  
Political Correspondent

The average council tax bill for a middle-priced band D house will be £647 for the new financial year starting next month - a rise of 6.2 per cent - David Curry, the local government minister, announced yesterday.

Labour accused the Government of driving up council tax to pay for the 1p income tax cut announced in last November's Budget. Frank Dobson, Labour's environment spokesman, said: "Their Budget deci-

sion to reduce the grant to local councils means that in most parts of the country, people face a council tax increase."

The Conservative Party chairman, Brian Mawhinney, said the figures showed huge rises under Labour-run councils. "Council taxes are rising so much this year because they are set by Labour and Liberal Democrat politicians. These rises are unacceptable. Band for band, Labour politicians have set their council taxes almost 50 per cent higher than Conservatives," he said.

Labour responded by accusing the Tories of rigging the formula for allocating central government money to councils, producing rival figures to show that 19 out of 20 councils would not have to charge any council tax if they received the same high level of grant as Tory flagship Westminster city council.

"They'd be able to pay out rebates instead. In Tamworth the rebate would be over £900," said Mr Dobson, referring to the main town in the Staffordshire South-East constituency where a by-election is due on 11 April.

David Rendel, Liberal Democrat local government spokesman, criticised the Government for using band D as the average. Most properties are in bands A to C. "We always knew that council tax rises this year would be well above the rate of inflation," he also said councils had done well to hold rises down below Treasury expectations of an 8 per cent increase.

The Government's figures do not take into account council tax benefit or transitional relief paid to councils to cushion changes in the system.

**Limited Issue**

**Higher interest rates guaranteed for the next three years?**

**3 Year Guaranteed Growth Bond**

6.25% 6.75% 8.00%

Whatever happens to interest rates over the next 3 years, the Woolwich's new 3 Year Guaranteed Growth Bond guarantees an increasing return on your investment.

Invest from a minimum of £1,000 for 3 years and even if general interest rates fall, we guarantee gross rates of 6.25% in the first year, 6.75% in the second and 8.00% in the third.

You will appreciate that no withdrawals can be made during the three year term.

The 3 Year Guaranteed Growth Bond is a limited offer so send in the coupon with your cheque today to Woolwich Building Society, FREEPOST (DT98), Kingswood House, Sidcup, Kent DA14 4BR.

Alternatively, call in to your local Woolwich branch or telephone us free on 0800 22 22 00 quoting ref: 1G215.

http://www.woolwich.co.uk/woolwich

**It's good to be with the WOOLWICH BUILDING SOCIETY**

Woolwich Building Society, FREEPOST (DT98), Kingswood House, Sidcup, Kent DA14 4BR

I enclose £\_\_\_\_\_ to invest in a Woolwich 3 Year Guaranteed Growth Bond from £1,000

Cheques made payable to Woolwich Building Society. Interest to be paid annually monthly (decide as appropriate)

Please send me further details of the Woolwich 3 Year Guaranteed Growth Bond. ☐

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Postcode \_\_\_\_\_ Telephone \_\_\_\_\_  
Signed \_\_\_\_\_

"Yes, with the Woolwich."

Gross rates for monthly income: Year 1: 6.08%, Year 2: 6.55%, Year 3: 7.72%.

\*Interest will be payable net of the basic rate of income tax, or subject to the required certification, gross. However, interest payable on it after 1 April 1996 will be paid at credited after deduction of income tax at the lower rate of 20%, subject to the required certification, gross. Where the tax deducted exceeds an investor's tax liability (if any), a claim may be made to the Inland Revenue for repayment of tax. For individuals whose income falls within the lower or basic rate bands, the tax deducted will match their liability to tax on the interest and they will have no more tax to pay on it. Individuals who are liable at the higher rate of income tax of 40% will have to pay additional tax on the interest to cover the difference between the tax deducted and the higher rate tax due. If an account is closed before 6 April 1996, any tax deducted will be at 25%. Rates are fixed as shown for 3 years from the date the account is opened until 30 April 1999. Year 1 from the date of opening account up to and including 30 April Year 2 1 May - 30 April Year 3 1 May - 30 April. Interest will be calculated daily, from the day of receipt in the case of a deposit of cash and from the fourth bank working day after receipt in the case of a deposit by cheque. Proof of identity may be required. No withdrawals are permitted during the 3 year term. Additional investments are permitted only while this issue of the Bond is still on offer. Full terms and conditions available on request from any Woolwich branch. Woolwich Building Society, Corporate HQ, Watling Street, Bexleyheath, Kent DA6 7RR

# HEAR CONSERVATIVE BRITAIN PRAISED BY THE OPPOSITION.

TONIGHT 9.00PM BBC1, 10.00PM ITV.



# Unionists warn of 'brick wall' over Irish polls

COLIN BROWN  
Chief Political Correspondent

The Ulster Unionists last night warned the Government it would run into a "brick wall" of hostility with its attempts to reach a compromise on elections to bring all the parties to the negotiating table by the deadline of 10 June.

The Government was pressing ahead with its compromise plan in the hope that the hostility will fade, and that IRA will be persuaded by Stan Fien to restore the ceasefire. The plan is to be put to the Cabinet for approval today and a statement is expected in the Commons.

Underlining the trouble the Government is facing, Whitehall sources said last night the statement could be followed by a more-detailed note on the form the elections will take, and consultations will continue on the groundwork paper issued last week, which made it clear that if no progress is made on decommissioning of weapons by the IRA, this would not be allowed to hold up debate on other issues.

Dick Spring, the Irish Foreign

Minister, last night raised nationalist concerns about the British compromise in a meeting in Belfast with Sir Patrick Mayhew, the Secretary of State for Northern Ireland.

It also emerged last night that there was backtracking by Dublin on the idea of a peace referendum on both sides of the border at the same time as the elections to the forum. There were strong hints at Westminster that the Irish government had gone cold on the idea of the referendum because it would duplicate the election.

John Major said the election plan would require the broad support of all the parties, but hints of the likely compromise had succeeded in uniting the parties against it.

Leaders of the Ulster Unionists will put the election plan to a meeting of the 600-strong Ulster Unionist Council in Belfast on Saturday, but senior members of the party in Westminster said last night that the compromise was unacceptable and warned they could help to bring down the Government. "The Government will hit a brick wall with this compromise," said

William Ross, the Ulster Unionist MP for Londonderry East. "They have tried to offer something to everyone and failed to win over anyone."

In spite of the opposition, ministers believe the main parties will not boycott the elections. Labour's Northern Ireland spokeswoman, Mo Mowlam, proposed the hybrid system in the *Independent on Sunday*, and the Government is likely to count on Labour support. But some Tory MPs are warning they will vote against the Government on the legislation to set up the elections, if the Unionists remain opposed.

The British compromise is intended to meet the Ulster Unionists' demands for the elections to be based on the 18 constituencies in Ulster, electing about 90 members to a forum, from which the negotiating teams will be appointed.

Whitehall also accepted the Unionists' demands for the forum to run alongside the negotiating teams. This was opposed by Dublin, which feared it would become a delaying tactic for the Ulster Unionists to keep talking.



Shadow leader: Tony Blair at a small business conference in London where he said Labour would set a 30-day limit for government departments to pay bills, and also require big companies to pay interest on overdue payments. Photograph: John Voos

## Ombudsman flays Whitehall over staff cuts

NICHOLAS TIMMINS  
Public Policy Editor

The Government's dramatic reduction in civil-service numbers is likely to lead to more complaints and more maladministration, William Reid, the Ombudsman, said yesterday as he reported another record year for complaints.

At the same time, privatisation and the contracting-out of civil-service functions risks depriving citizens of their right to have complaints investigated.

Complaints rose by 71 per cent in two years to 1,706, and are forecast almost to double to 3,300 in 1998, says the Ombudsman's annual report. Since 1992 the Government has slashed civil-service numbers from 550,000 to below 500,000 and more big cuts are planned.

"Reductions in staff numbers, organisational changes and new working practices will continue for some time to place individual civil servants under stress," Mr Reid said.

"There is a risk that fewer staff will lead to both slower service to the public and to more mistakes, because civil servants will have less time for thought to enable them to pursue considered and prudent action. I doubt whether automation and technology will compensate fully for cuts in human resources."

His warning came as almost all departments and agencies are facing staff cuts or freezes, and the Department of Social Security - Mr Reid's biggest customer, accounting for almost half the 1,706 complaints he received last year - plans cuts aimed at increasing its efficiency by 25 per cent over three years. A service already subject to much criticism may become "even less good", he said.

Contracting-out is taking some services outside his remit. Mr Reid added - Job Clubs, for example, and television licensing, which is now a matter for the BBC.

While complaints did not have to be investigated by his office, Mr Reid said, an assessment was needed of whether proper methods remained for investigating complaints and providing redress.

Of the 245 complaints that were fully investigated, maladministration was found in 236 cases and thousands of pounds of compensation have been paid out - £10,000 and more in some cases.

Parliamentary Commissioner for Administration, Annual Report 1995, HMSO £11.85

## Officials' anger at Scott duties

CHRIS BLACKHURST  
Westminster Correspondent

Civil servants were upset at being required to draft inaccurate Government press releases saying it had been cleared by the Scott arms-to-Iraq report, MPs were told yesterday.

Liz Symons, general secretary of the First Division Association, the trade union for senior Whitehall officials, said her members had "expressed disquiet with the way in which press releases were drafted on the day of publication of the Scott inquiry report".

Ms Symons was giving evidence to the Public Service Select Committee, at the first session of its own inquiry into Scott. Asked if civil servants had been asked to go beyond their statutory duties, she referred the committee to the Government's press pack released to coincide with the Scott report.

Once the Opposition had time to digest the report, they seized on the pack, claiming it did not reflect the inquiry's findings and was an example of

civil service politicisation. The FDA confirmed that was the case yesterday. However, the union stressed that no formal complaints had been made by its members - possibly because Government Information officers who co-ordinated the exercise do not come within its remit.

Union officials told MPs they had still not received assurances that no civil servants will be disciplined over Scott. Despite ministers having absolved themselves of any blame, Ms Symons said the Government was refusing to rule out action against those officials criticised.

The FDA admitted the Scott report had forced its members to think hard about issues of responsibility and accountability and the duty to serve the public interest. Ms Symons said she thought there was now a need for a Civil Service Act setting out officials' duties.

She was less sure, though, as to what exactly the new legislation would contain. It would be discussed at her union's forthcoming conference.

## Only Currys bring you all this

**ORANGE MOBILES**  
FROM UNDER **£30**  
PLUS **FREE ONE MONTH'S LINE RENTAL**  
(entitles you to 60 minutes Talktime) when you connect to Talk 60 before 31st March 1996

**ORANGE**  
Motorola Mobile Phone  
■ 180 name/number memory (inc SIM card memory)  
■ Clear LCD display of number dialled  
■ Up to 60 minutes talk time/11 hours standby  
■ Call divert, call barring, call waiting and call hold. Model MR1.  
Was £99.99. Now **£49.99**

**SAVE £70**  
**ORANGE**  
Motorola Mobile Phone  
■ Displays number of caller  
■ Up to 60 minutes talk time/12 hours standby  
■ 180 name/number memory  
Model MR20 FLARE.  
Was £99.99. Now **£49.99**

**SAVE £50**  
**NOKIA**  
Mobile Phone  
■ 179 name/number memory (inc SIM card memory)  
■ 4 line LCD display with menu driven screen prompts  
■ Complete with rapid travel charger  
Model NOKIA.  
Was £129.99. Now **£99.99**

**PREMIER SERVICE**  
OVER 500 HOME APPLIANCES AVAILABLE WITH 2 DAY DELIVERY GUARANTEED

**EXCLUSIVES**  
2 DAY DELIVERY GUARANTEED  
TAKE IT HOME NOW  
UP TO 5 YEARS COMPREHENSIVE WARRANTY

**PLUS SAVE UP TO 60% ON PHONES**

**SAISHO EXCLUSIVE**  
2 Piece Phone  
■ Last number redial  
■ Tone/pulse switchable  
Model S21. Was £24.99. In-store Price £12.49  
**VOUCHER PRICE £9.99**

**PHILIPS**  
TELEPHONE WITH 9 NUMBER MEMORY  
Model P100. Was £27.99. In-store Price £17.99  
**VOUCHER PRICE £13.99**

**SOUTHWESTERN BELL**  
TELEPHONE WITH 12 NUMBER MEMORY  
Model S25. Was £34.99  
**VOUCHER PRICE £19.99**

**CORDLESS PHONES FROM UNDER £60**

**BT Cordless Phone**  
■ Intercom facility  
■ LCD display  
■ 100 metre range  
■ Out of range warning  
Model FREESTYLE 300.  
Was £99.99. Now **£79.99**

**SOUTHWESTERN BELL**  
CORDLESS PHONE WITH PAGING FACILITY  
Model P170. In-store Price £64.99  
**VOUCHER PRICE £59.99**

**BT**  
CORDLESS PHONE WITH 4 channel auto selection  
Model FREESTYLE 80.  
**VOUCHER PRICE £79.99**

**TELEPHONE ANSWER MACHINES SAVE UP TO £20**

**DIALATRON**  
Telephone and Answer Machine  
■ Remote access  
■ 11 number memory  
Was £59.99. Now **£39.99**

**BINATONE**  
VOICE ACTIVATED ANSWER MACHINE  
Remote access. Model 220. In-store Price £23.99  
**VOUCHER PRICE £19.99**

**BETACOM**  
REMOTE CONTROL ANSWER MACHINE  
One button operation. Model S20 D. Was £29.99. In-store Price £27.99  
**VOUCHER PRICE £24.99**

**Currys VOUCHER SPECIALS**

SAISHO 2011 MOBILE PHONE VOUCHER PRICE £9.99  
PHILIPS 100 TALKING PHONE VOUCHER PRICE £13.99  
BINATONE 220 ANSWER MACHINE VOUCHER PRICE £19.99  
BETACOM 220 ANSWER MACHINE VOUCHER PRICE £24.99  
SOUTHWESTERN BELL 1700 CORDLESS PHONE VOUCHER PRICE £59.99

**Currys**  
BRITAIN'S BIGGEST ELECTRICAL RETAILER

## Renewing your home insurance in March or April?

If you're 50 or over, just see how much you can save with Saga - call us NOW!

You will know how expensive home insurance can be - thankfully, if you're aged 50 or over you can benefit from Saga Home Insurance - a superior household insurance that's only available to mature, responsible people like you.

Because of this, Saga Home Insurance can offer you genuine savings over other policies, while giving you cover that fully protects your home and possessions.

The Saga Price Promise  
If you find another comparable policy at a lower price within 2 months of taking out Saga Home Insurance, we'll refund you the difference.

**SAGA**  
Services Ltd

Saga Services Ltd, FREEPOST 221  
Middlebury Square, Folkestone CT20 1AZ

Saga Services Ltd would like to send you information about services provided by other Saga companies and may pass details to these companies to enable them to do so.  
And why not ask us about our competitive MOTOR INSURANCE

- Exclusively for people aged 50 or over.
- Cover is comprehensive and low cost.
- Save 30% off WorldWide flights.
- Free pen with your quotation.

Call us today!

For your free no obligation quote simply call us on the number below. We will be pleased to answer any questions you have on Saga Home Insurance.

**0800 414 525**  
ext. 2598

Lines open Monday to Friday  
9am - 6pm, Saturdays 9am - 1pm

Lines open Monday to Friday  
9am - 6pm, Saturdays 9am - 1pm

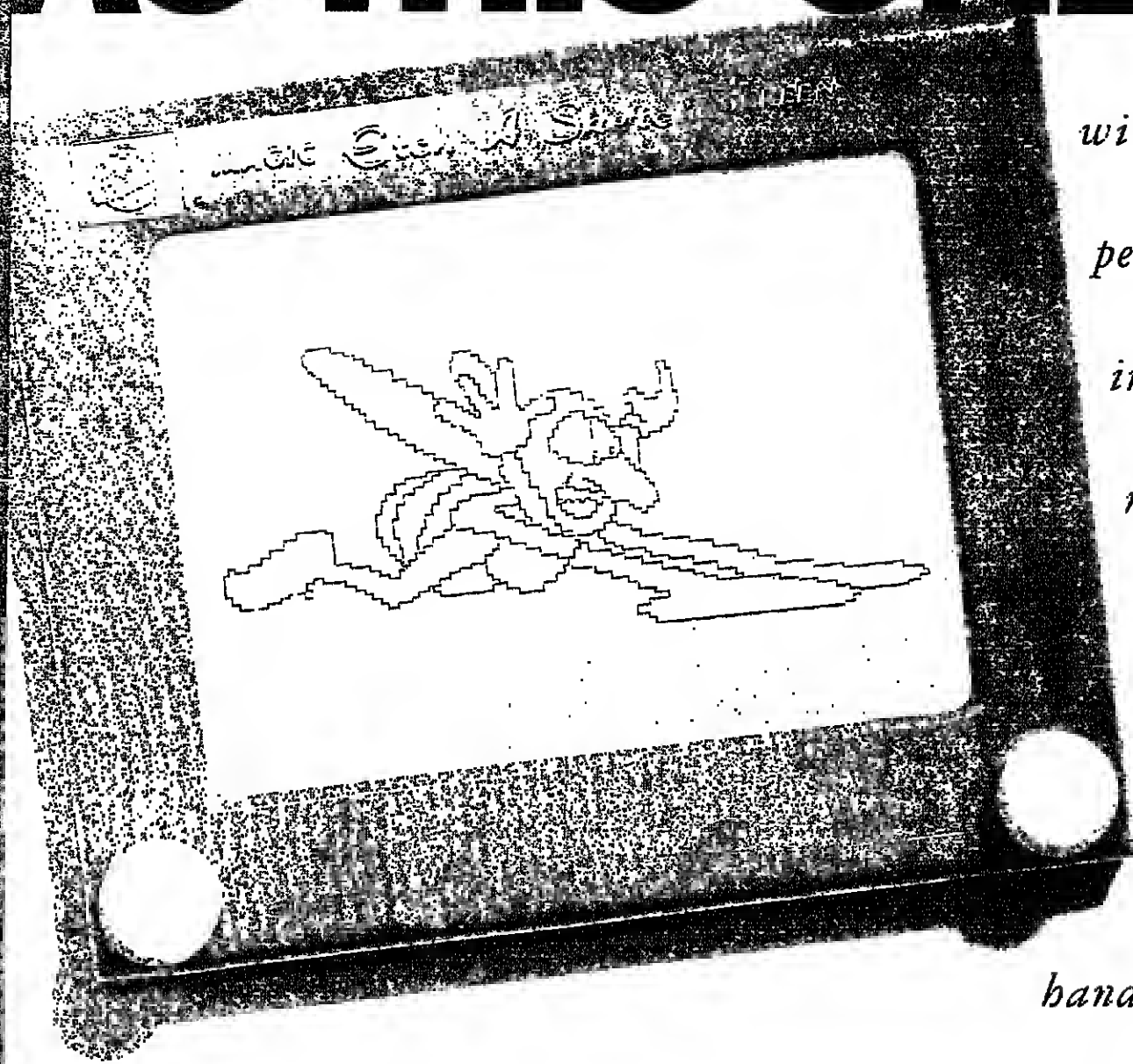


# SUDDENLY, YOUR CURRENT WORKSTATION LOOKS EVERY BIT AS POWERFUL AS THIS ONE.

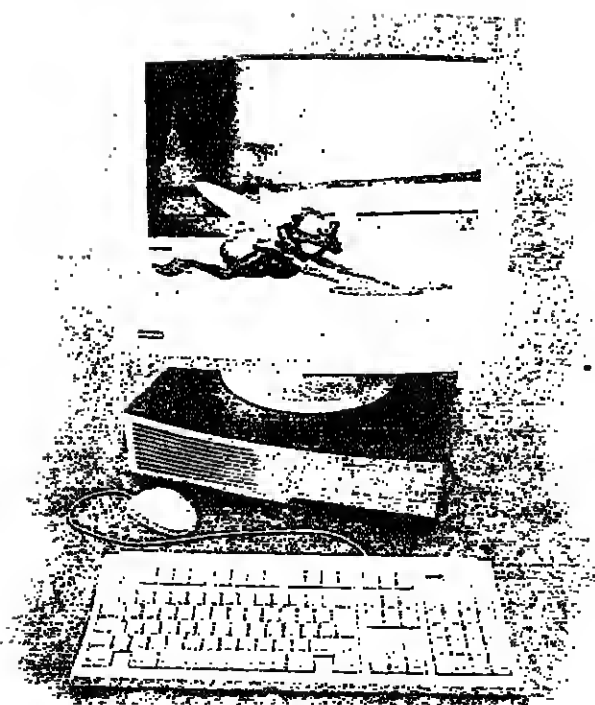
*If your current machine sometimes seems as slow as this little toy workstation with the little white knobs, check out the new AlphaStation™ family from Digital.*

*Not only are they the fastest ever, they are now equipped*

*with PowerStorm™ Graphics: ultra-high-performance graphics accelerators that give industry leading 3D wireframe and solid modelling performance. The fastest 2D graphics, too. And thereby render other workstations ever-so-slightly obsolete. The 64-bit power in all AlphaStation systems handles the toughest EDA, MCAD, GIS, TCASE*



## THE NEW ALPHASTATION FAMILY WITH POWERSTORM GRAPHICS



**THE 255**  
233 MHz or 300 MHz  
*the price/performance leader  
for MCAD/ECAD/CASE/GIS.*

**THE 500**  
266 MHz or 333 MHz  
*optimised for  
leading-edge technical, engineering  
and scientific applications.*

**THE 600**  
266 MHz or 333 MHz  
*the fastest single-CPU  
workstation in the world.*

*and scientific applications*

*without breaking sweat*

*— in your choice of*

*Digital UNIX®, Windows*

*NT™ or OpenVMS™ —*

*brilliance@work. So see your Digital Business*

**digital**™  
WHATEVER IT TAKES™

*Associate, call 0800 320 300,*

*or visit <http://www.digital.com>*

©1995, Digital Equipment Corporation. Digital, the DIGITAL logo, AlphaStation, PowerStorm and Open VMS are trademarks and Whatever It Takes is a service mark of Digital Equipment Corp. UNIX is a registered trademark in the US and other countries, licensed exclusively through the X/Open Company Ltd. Windows NT is a trademark of Microsoft Corporation. Screen image courtesy of Softimage Inc., a wholly owned subsidiary of Microsoft Corporation in the US and/or other countries. The Etch A Sketch product name and the configuration of the Etch A Sketch are registered trademarks owned by the Ohio Art Company. All other products are trademarks or registered trademarks of their respective companies.

Bosnia  
share

KBQ15

Looking for the  
west premium  
Exclusive  
Road Atlas  
FREE  
with every purchase  
0800 333 600



# Bosnia's old enemies share uneasy peace

EMMA DALY  
Dobrinja, Sarajevo

The two men walked in the sunshine along opposite sides of Miroslav Križeva Street, a broad avenue lined with razor wire and buildings shattered by shells. Both lived in Dobrinja, the front-line Sarajevo suburb built for the 1984 Winter Olympics, and both were forced by war to move to a stranger's flat several hundred yards from their homes.

Both see a future for a peaceful Bosnia; one is a Muslim, the other a Serb and the central reservation in Miroslav Križeva Street marks the boundary between the Muslim-Croat Federation and the Srpska Republic, the entities that now make up Bosnia.

"The worst people on that side are the peasants - we're good friends with the people who lived here," Sudo said, gesturing towards the Serbian side. Across the street, Mirko Zelimić, had similar views. He also blamed outsiders - Muslim refugees "cleansed" from rural eastern Bosnia - for the war. He said reunion would be possible "if there is peace and no provocations".

A couple of blocks away, the new border deviates from the front line to give the Federation a few buildings formerly on the Serb side. The division looks absurd. A metal peg on the grass verge marks the boundary, and six-year-old twins, Srdjan and Sladjan, straddle the line that now runs through their father's flat. "The kitchen is in the Federation but the china cupboard is in the Srpska Republic," their father, Neven, said gloomily.

"I feel bad about it, but what can I do? Living together will be very difficult, especially for those who lost children... The international community is

working to get people together again, but it's impossible."

There is no alternative to a life involving some sharing. Nobody but a few politicians and many black-market dealers wants to see war resume.

"We can forgive, but we can't forget," Sudo said. "But those peasants will leave and that will make life here in Dobrinja more normal."

Mr Zelimić also wants to see the outsiders - the Muslims from Srebrenica, Zepa and Gorazde - leave. But his leaders want racial purity, and seem certain to block the return of Muslim refugees to land now held by the Srpska Republic.

The issue of refugees, and the impossibility of their return to land across the line - will fester in post-war Bosnia, as the dispossessed demand compensation and the urban population become angry about the changes made to their cities by the incomers.

Partition also brings the problem of economic survival: neither entity is large or rich enough to survive in isolation. "I will be coming back here to see my friends who are staying - I mean my Muslim friends," Momcilo Mandić, an adviser to the Serb leader, Radovan Karadžić, said shortly before the Serbs withdrew from the suburb of Grbavica.

"I think we'll have peace, that we will trade together. But it won't be the same as before the war, there will be no reintegration of Bosnia."

There are some dissenters. "I'm pro-Bosnia, I'm a Serb, but that's how I feel," said Marija Stanić, a fur-clad blonde walking her terrier through the streets of Grbavica hours after the Federation take-over.

"I helped people regardless of their nationality, and I saw what went on here," she said firmly. "I'm really happy today

because what happened here is madness."

Most Bosnians know that survival depends on an accommodation with the enemy, and moose, perhaps, will rebuild links. That is the optimistic view.

On the dark side, the hatred will last for generations among Muslims viciously expelled from

their land in northern and eastern Bosnia, and among Serbs who feel cheated by an international conspiracy. The Muslim-Croat federation, is a shot-gun marriage. While Nato troops remain, war is unlikely, but the price of long-term union may be billions of dollars.

News analysis, page 17

## US issues aid warning

Washington — US intelligence services are warning that without a speed-up of economic aid, Bosnia will probably fall apart as soon as Nato peace-keeping forces leave, writes Rupert Cornwell.

In a leaked report, General Patrick Hughes, head of the Pentagon's Defense Intelligence Agency (DIA), described as "dim" the prospects for "the existence of a viable, unified Bosnia" once the Nato deploy-

ment is over. The goals of the warring parties "have not fundamentally changed" despite the Dayton peace accord last November, he says.

If he is right, then the Clinton administration may come under intense pressure from its European allies to prolong the stay of US soldiers in Bosnia beyond the existing 12-month deadline, and demands at home to step up the re-armament of the Bosnian army.



Taking stock: A Bosnian passing an I-For checkpoint as he enters Grbavica, a former Serb area. Photograph: Reuters

# When business travel winds you up, unwind at a Forte Posthouse

You're away on business and you've had meetings all day: what you need now is somewhere to unwind completely. You need a Forte Posthouse!

Facilities include swimming pools and fitness clubs at many hotels; a mini bar and movies in all bedrooms; room service plus restaurants and bars that are as welcoming as they are relaxing.

On top of that you'll enjoy free car parking, interactive TV with View Bill, and express check-out, so you can start the new day relaxed and refreshed.

RELAX AT A  
FORTE POSTHOUSE  
FROM

£59

FORTE  
Posthouse

TO BOOK CALL US FREE ON

0800 40 40 40

OR CONTACT YOUR TRAVEL AGENT

NOW OVER 70 HOTELS TO CHOOSE FROM THROUGHOUT THE UK AND IRELAND.



## IN BRIEF

### Winnie weighs an appeal against divorce

Johannesburg — Winnie Mandela said yesterday she was considering appealing against the court ruling on Tuesday granting President Nelson Mandela a divorce. Mrs Mandela did not show up in court for a financial settlement hearing, so the judge threw out her claim for half of her husband's assets. The President later offered an unspecified out-of-court settlement. He also said in court papers that he has already contributed more than 3 million rand (about £500,000) to his ex-wife's "well-being". AP

### Dozens die in Christian rebel rampage

Kampala — Christian fundamentalist rebels killed 34 civilians and kidnapped 58 in attacks 230 miles north of Kampala on Tuesday. The raids brought the number of people killed by the Lord's Resistance Army in the north this month to 216. Reuters

### Socialists quit assembly over jail term

Paris — French Socialists stormed out of the National Assembly in a fresh clash with the government over a harsh sentence passed on their former party treasurer, Henri Emmanuelli, for handling illicit campaign funds. The party has launched a campaign to try to quash the suspended jail term which bans him from holding public office for two years. Reuters

### Deathtrap disco owners face charges

Manila — The Philippine government barred owners of a disco where 151 revellers died in a fire from leaving the country and threatened criminal charges. President Fidel Ramos said negligent officials could be charged with reckless imprudence resulting in multiple homicide. Reuters

### Sudan leader crushes poll unknowns

Khartoum — All supporters of Sudan's Islamic leader, Lieutenant General Omar al-Bashir, swept to power as expected in parliamentary elections, initial results showed. Geo Bashir, who took power in a 1989 military coup, faced 40 largely unknown opponents in the vote for president. He was expected to win outright when counting is finished from the 6-17 March vote. AP

### Finnish put air force jets on sale to public

Helsinki — The Finnish armed forces are putting about 60 used fighter aircraft, including Russian MiGs and Swedish Drakens, on sale to the public. Some might be sold to amateur pilots, although the operating cost - about £1,400 an hour - would limit demand. Weapons would not be supplied. Reuters

### Poisoned turtle kills 21 in Zanzibar

Dar Es Salaam — Twenty-one people have died on the Zanzibar island of Pemba this week after eating poison turtle meat, state-run Tanzania radio said yesterday. The death toll could rise because another 13 victims in hospital are reported to be in a critical condition. Reuters

CAR INSURANCE

Looking for the  
**lowest premium?**  
Exclusive  
Road Atlas  
**FREE**  
with every quote

PHONE FREE  
**0500 333 600**  
TO CLAIM YOUR ROAD ATLAS PLEASE QUOTE REF 7206 DUAL DIRECT



## international

# Italy's rich city prays for fall of nation state

ANDREW GUMBEL  
Bologna

Michael Portillo would not go down very well in Bologna. For a start, nobody has heard of the SAS around here, much less learned to fear it. As for his stiff-necked line in Euro-scepticism, that would meet only stares of incomprehension.

It is hard to imagine a country more pro-European than Italy, and it is hard to imagine an Italian city more pro-European than Bologna. Here, they cheer for Maastricht, the IGC, the single currency and all the rest with a fervour that seems almost suspicious until one looks more closely.

Bologna is a flourishing, rich and happy city, with the wild Apennines on one side and the lush Po valley plain on the other. Historically, it has had strong links with Europe through the famous university. It is well-run under a left-wing municipal administration that has been in power since the war. The regional economy is booming, thanks in part to a healthy export trade in prestigious local products, such as Parmesan cheese and Ferrari sports cars.

The royal pain in the lives of most Bolognese is the Italian government, which taxes them too much and squanders the proceeds through incompetence and corruption. Europe, in contrast, promises fewer obstacles to economic prosperity and greater efficiency. It is simple: more government from Europe means less of the disastrous home-grown variety.

"If we are more enthusiastic about the European Union than the British, it's because we need it more. If forming closer ties with Europe means being



governed better, then it can only do us a favour," explained Tania Giacobini, a manager with a ceramics business from Sassuolo, just north of Bologna.

Search for a hint of Euro-scepticism beneath the surface and you search in vain. After all, what is there to lose? National sovereignty? That's a good joke, with clowns running the show in Rome. A strong sense of national identity? Not in Italy, which has only been a nation for 150 years and has never entirely got used to the idea, associating strong nationhood with the Fascist period. The lira? Get serious. The Italian currency is so unstable it is outclassed by the Albanian lek.

"Our problems are national problems, not European ones," said Leo Bertozzi, the export

manager for the Parmesan makers' consortium, based up the road in Reggio Emilia. "There's no point us worrying about the consequences of a single currency when we don't even have a reliable postal system."

Parmesan makers have done well out of Europe, not only because the single market has made foreign sales easier (Spain, for example, imposed tariff barriers on cheese imports until 1989) but also because the Commission has protected Parmesan and other specialised products from cheap imitations.

Already, several British supermarkets have removed "grated Parmesan" labels and renamed their low-price plastic tubs "grated Italian cheese". Soon, the consortium hopes, it will be illegal in the EU to describe cheese as Parmesan if it is not made according to the traditional recipe in the Emilia Romagna region.

Parmesan enjoys a similar privileged status throughout the European market. Thanks to Brussels, producers no longer

have to seek health certificates to ship their hams across European borders. Their only complaint is that they have no price protection, especially in the French market, where a few big players control supermarket distribution, pushing prices to rock-bottom rates. "But to solve this problem, of course, we will turn to Europe, not the Italian government," said the Parma ham consortium's export manager, Massimo Montuschi.

Not all Italian food producers have the wealth and lobbying power of the Bologna region. Elsewhere, one hears bleats about European agricultural policy, especially in the deep south, which lives off less privileged olives and citrus fruit. Some businesses acknowledge their export performance has been enhanced by a weak lira, an advantage that they will lose if a single European currency comes into being.

Italy faces other potential problems with Europe - the danger that it will fail to qualify for the single currency, and the likelihood that the sacrifices necessary to catch up will increase unemployment, raise taxes and damage already desperate public services.

But these issues are rarely aired in public debate. "Italy's enthusiasm for Europe is as unreal, in its way, as Britain's scepticism," said Patrick McCarthy, an Italian specialist at the Bologna branch of the Johns Hopkins School of International Studies. "Italian political elites think they can integrate into Europe while continuing to act as they like at home," he added. "They have largely had a free ride up to now, but that could all change."

Letters, page 18



A better market: Bologna is a fervently pro-European city, even by Italian standards. Photograph: Robert Harding

## Jobs the issue in German poll

IMRE KARACS  
Heidelberg

The chubby man on the podium addressing an election rally in the university square, in Heidelberg, struggles to raise his booming voice above the cacophony of whistles and boos.

He talks of war and peace and freedom, and of the common European home, but his message only seems to send the crowd into a frenzy. "What about jobs, Helmut?" they shout, hoisting placards proclaiming: "4.5 million unemployed".

Chancellor Helmut Kohl ploughs on, untroubled by this unexpectedly hostile reception at his Alma Mater. "We are Germans, we want to remain Germans, but we are German Europeans and European Germans." He then turns to jobs, but there is no place in his analysis for the European dimension of that dreadful sta-

tistic. Until recently, European integration was recognised by every mainstream political party as the greatest national goal. Now all that has changed in the southern state of Baden-Württemberg and its picturesque university town.

In Sunday's elections to the Land assembly, the region's voters are being asked to choose between the European dream and the vision of a new economic miracle. "Stability and employment take priority now - so postpone monetary union," urge the election posters of local Social Democrats, pioneers of the SPD's volte-face on Europe. They argue that the Maastricht criteria for monetary union shackle Germany, preventing it from spending its way out of recession. "I think we should set in motion a European growth and employment initiative at the Maastricht review conference in Italy... and postpone mon-

etary union for three to four years," says Dieter Spörl, the SPD's leader in Baden-Württemberg.

Whether this line is adopted by the national leadership depends on how well the party does on Sunday. The omens are not good. "I don't care what happens in 1999. What I want to know is whether there will be a job for me when I get my degree in the summer," says Rita Meissner, one of the students booing Mr Kohl.

Though the SPD's poll rating has gone up by about 5 per cent during the campaign, it remains a distant second behind the Christian Democrats. Even that modest rise has been attributed to another populist slogan which the SPD does not dare to daub across the walls: the call to keep out ethnic Germans immigrating from Eastern Europe.

The other parties are convinced that the SPD is barking up the wrong tree. "[Monetary

union] is not an issue that will decide the election," says Walter Döring, the regional leader of the Free Democrats. At stake for him is the survival of his party, and by consequence the survival of Mr Kohl's government.

If the FDP falls below the 5 per cent threshold that bars the way to the three regional assemblies up for grabs on Sunday, then its leaders would feel compelled to leave the coalition in Bonn, questioning Mr Kohl of his majority.

This is a question of existence not just for the FDP in Baden-Württemberg but also for the coalition in Bonn. Mr Döring asserts. At the moment his party is hovering around 6 per cent in Baden-Württemberg and neighbouring Rheinland-Palatinate, but is perilously close to annihilation in the northern state of Schleswig-Holstein. Two out of three would be regarded as a good result, and Mr Kohl would be able



Burning images: Effigies on bonfires in the Spanish Mediterranean port of Valencia where the feast of St Joseph is celebrated in a ceremony dating back to the 18th century. Photograph: Denis Doyle / AP

## The Pavarottis decide to go solo

ANDREW GUMBEL  
Rome

Maybe it was the elixir of love or just the force of destiny, but Luciano Pavarotti and his wife, Adina, announced that they were separating yesterday after a 36-year marriage. Weakened by infidelities, the marriage was finally broken by a scandalous affair between Luciano and his 26-year-old secretary.

Pavarotti, 60, has barely been on speaking terms with his wife for months because of his attachment to his by now inse-

parable companion, Nicoletta Mantovani. At first he attempted to deny the affair, but could hide it no longer when an Italian gossip magazine published a photograph of the couple kissing on the beach in Barbados last month.

"Nicoletta is a girl like all the others I have had. She's part of the stable. She is the favourite in my harem," the fabbed tenor explained at the time.

The affair quickly exploded into a gossip-column sensation as 59-year-old Adina, Pavarotti's business manager as well as

the mother of his three children, publicly appealed for him to come back to her.

Showing considerable steel, she said he was making a big mistake and would end up unloved and alone. She also removed his name from the doorbell at their villa outside Modena, Pavarotti's home town in northern Italy.

A brief statement yesterday said the couple had separated by mutual consent "out of respect for each other and family". Under Italian law, couples become eligible for a divorce af-

ter three years of formal separation.

The divorce will be a financial blow for Pavarotti as his operatic career winds down and he relies increasingly on crowd-pleasing acts to bring in the high fees he is used to.

There will be no tugs-of-war over the division of property, however, as the couple have kept their assets separate for several years. Together they own the villa in Modena, a house in Bologna and homes in Manhattan, Monte Carlo and on the Adriatic coast.

## Where commuters wear the latest fashions to a city of ash and mud

Grozny - In any law-abiding city, we would have not only run for cover, but stayed there until long after the coast was clear, and waited to read about it all in the next day's newspapers.

A few hundred yards away a sniper had opened up with a sub-machine-gun, while some other maniac, hidden in the detritus that used to comprise the local neighbourhood, was firing back as if his life depended on it, which it probably did. Matters were made more alarming by a Russian soldier at the road-block where we were waiting, who tossed a vodka bottle in the air and tried to shoot it down, hissing away with his rifle. He missed; it fell to the ground.

another addition to the dozens of other bottles and beer cans strewn around by the soldiers in their effort to drown their fear and isolation in this unhappy place.

But this is Grozny, where such battles are frequent enough to be regarded as commonplace, undeserving of panic. As the snapping sound of gunfire continued, many in the queue of traffic calmly turned round and drove away in search of another route out of town. Others - like Said, my taxi-driver - persuaded the soldiers to let him press on, driving through the area looking no more ruffled than a motorist on a Sunday jaunt.

If there was a Nobel prize for

doggedness, it would go to the residents here, who have conjured up a sense of normality, of routine, even. So exhausted are they by fear, and daily overdoses of adrenalin, they often seem immune to both.

Half an hour before the shooting, which happened on the outskirts, I watched a morning commuter train pull in to the city's central station. Yes, there are commuters here, even though Grozny was only two weeks ago turned into a battleground yet again when hundreds of separatist rebels arrived. Out into the spring sunshine stepped scores of men and women, with the same purposeful air that you see among the tide of humanity at

### GROZNY DAYS

Paddington or King's Cross every morning. They filed off through the sea of litter, past pools of water that block the roads, and through the ruined boulevards that used to comprise the heart of this once handsome, pastel-tinted city.

As we headed towards the marketplace, another gunman was also beginning his morning's labours, in the rooftops no more than a few hundred yards away. It was hard to tell what he was shooting at, or why. Grozny's war is not only between the rebels and Russians, supported by Moscow-backed

Chechen forces from the puppet government of Doku Zavgayev. It also embraces a tangle of warring clans.

The crowd did not so much miss a step, let alone scatter. "We have to live," said my guide, a middle-aged Chechen, when I asked why people were willing to brave such hazards. "What do you expect us to do: sit at home and go hungry?"

There is, at present, no risk of that, at least for those with money. The market was groaning with produce, from Snickers bars to lemons, tangerines, onions, potatoes, chicken, and

legs of lamb. Where there is a shortage of essential goods, residents make them themselves. Along the roadsides there are large glass jars of home-made petrol on sale.

At a kiosk next to the government building - which has been turned into a fortress, surrounded by dug-in armoured vehicles - there were copies of *Soldier of Fortune* magazine. Although Russians have lost hundreds of men in this war, their appetite for tales about weaponry and derring-do is mysteriously insatiable. (Whether the soldiers, who are miserably paid, can afford such frivolities is another matter: one group was so short of food that they shot and kebaped the pet

dog belonging to the Organization for Security and Cooperation in Europe.)

There are shortages, too. Most shops and businesses are destroyed, but you can still buy an embroidered dress or a pair of patent-leather high heels. There is clearly a demand: despite the thick mud and filth, many of Grozny's women are as well groomed as Wall Street executives.

Yet, for all this outward calm and resourcefulness, there are wells of hatred, scars too deep to justify any optimism about peace in the Caucasus. After passing the gun battle at the road-block, Said drove me to the airport at Vladikavkaz in the neighbouring republic of

Ossetia. A few miles from our destination, he suddenly became agitated and sweaty.

"I can't go any further, it's the Ossetians," he explained. "They loathe us Chechens," he said, putting his finger to his head and pulling an imaginary trigger. Why? Because they were friends with the Ingush, with whom the Ossetians fought a war in 1992.

It was only after we found an Ingush policeman, armed with a semi-automatic rifle, as an escort that he agreed to go on. They are getting by here miraculously well, in the circumstances - but it is hard to believe they will ever get along.

Phil Reeves

The last thing we want you to do is buy our products.

Dole

China's 'Lee take

China's show

The first thing we do by doing this... And when we... other it's a life... actually think about



# Dole urges Perot to stay out of race

RUPERT CORNWELL  
Washington

With the 1996 Republican presidential nomination now secure, Bob Dole yesterday embarked on the far tougher campaign to defeat Bill Clinton in the general election in November, a task which may be still further complicated by a repeat White House run by Ross Perot.

After yet another Tuesday primary sweep, this time in the old industrial Midwest, the 72-year-old Senate majority leader only briefly savoured the prize that had eluded him for two decades, before plunging back into his preferred milieu of Washington, featuring a White House meeting with his future

## THE US PRESIDENTIAL ELECTIONS

opponent, in search of a balanced budget agreement between the Republican Congress and the White House.

Washington, indeed, is where the next phase of the election campaign will unfold, in complicated jousting over measures that include the budget, welfare and health-care reform, and proposed tax cuts for families with children. Mr Dole will portray himself as a "common sense conservative" who could get things done, were it not for vetoes by Mr Clinton.

The contest will be fascinating. The two men may be prime specimens of that reviled breed the "Washington insider". But both are adroit politicians, and never before has an election been fought between an incumbent President and a Senate Majority leader of the other party.

Mr Dole's triumphs in the "Rust Belt" were comprehensive. In Ohio and Illinois he routed his only serious remaining challenger, the right-wing commentator Pat Buchanan, by a margin of three to one. In Michigan and Wisconsin Mr Buchanan did better, capturing one-third of the vote; but in both states the Kansas Senator topped 50 per cent. Though delegate tallies are

notoriously inexact, according to CNN Mr Dole now has 1,000 four more than the 996 needed for an overall majority at the convention. That compares to 100 for Mr Buchanan whose aim now is not to unseat Mr Dole, a mathematical impossibility, but to secure a speaking spot at the convention and force his populist pro-life and "America First" views into the party platform.

But Mr Buchanan is merely a nuisance. A greater danger lies in another independent run by Mr Perot, the unpredictable billionaire from Dallas, which may guarantee victory for Mr Clinton, just as in 1992, when the on-off-on candidacy of Mr Perot drove the final nail into George Bush's coffin.

Although the polls show Mr Dole is at present running 10 points or more behind Mr Clinton, the electoral college arithmetic is less bleak, with the South, the South-west, the plains and Rocky Mountain states solidly Republican - in a two-way contest.

A Perot run, however, would change everything. His support may be less than the 19 per cent he won in 1992, but Perot voters are drawn overwhelmingly from Republican ranks, and even modest defections could cost Mr Dole states that he would otherwise win in November.

"Ross, we are the reform party, what else do you want?" Mr Dole said yesterday, almost pleading with the Texan to stay

out of the race. But Perot-watchers are convinced their man cannot resist another run, either as the candidate of the Reform Party, which he is trying to launch across the country, or as an independent.

And the music from Dallas is uncannily like 1992, when Mr Perot portrayed himself as a simple patriot heading his countrymen's yearning for a selfless outsider to step in and "fix up the mess" in Washington.

He would run "if that's what members of this [Reform] party want," he told a Texas radio station this week. "I can't just sit here and watch everything deteriorate."

Tomorrow, moreover, Mr Perot is due to appear on CNN's *Larry King Show*, the

same platform from which he announced his candidacy in February 1992.

Apart from deterring a third-party challenge, Mr Dole must also choose a running mate. Now that General Colin Powell, Mr Dole's preferred choice, has again virtually ruled himself out, the Midwest once more could hold the key. High on the Dole vice-presidential list are Governors John Engler of Michigan and George Voynovich of Ohio. Either could tip the balance in November in a crucial swing state which the Republicans must win in order to regain the White House.

■ Little Rock, Arkansas (AP) - A federal judge yesterday directed defence lawyers in the Whitewater trial to take Presi-



Dole: Has won enough votes to ensure candidacy

dent Clinton's testimony by videotape. Ordering him to travel to Little Rock would be unduly burdensome on his official duties, the judge said. The judge rejected Mr Clinton's request that he be given the questions in advance. He said lawyers may ask the President whatever they like about allegations raised during the trial.

## China's 'bogeyman' Lee takes poll test

TERESA POOLE  
Taipei

Lee Teng-hui is the new face in the pantheon of bogeymen whom Peking regularly likes to consign to its so-called "dustbin of history". But unlike the exiled Tibetan Dalai Lama and Hong Kong's latest man to be demonised by the Chinese government is little known in the West. Indeed, because he is *persona non grata* in countries which recognise Peking, the Taiwanese president is, in diplomatic terms, probably the most isolated champion of democracy in the world.

Mr Lee, 73, can take much of the credit for why an island of 21 million people is this week-end set to disprove the notion that democracy sits ill with the "Asian values" of the fast-growing economies of East Asia. Taiwan, the second most densely populated nation on earth, will after Saturday's presidential elections be able to boast not only an average per capita income of US\$12,000 (£8,000) but also its first democratically elected head of state.

Among the native Taiwanese, who make up 85 per cent of the island's population, the fact that Mr Lee is Taiwan born and bred has always been central to his appeal; his rallying calls at the hustings are delivered in the colloquial Taiwanese dialect.

However, Mr Lee is also a product of the old regime. Not one to court prison or political exile, he quickly prospered for decades within Taiwan's former authoritarian, one-party system. "[Lee] was very timid... Everybody underestimated him," said Antonio Chiang, publisher of the *Journalist*.

Mr Lee still sees no contradiction in using the enormous financial and operational clout of the ruling Kuomintang (KMT) party in order to achieve his goal of democracy for Taiwan. Festooned from buildings around Taipei, his toothy smile beams out from election posters up to seven storeys in length; the Lee advertising budget is said to be as high as US\$25m. Taiwan's three main television channels are still under KMT control, and cov-

erage of Mr Lee has been fulsome. At the same time he refuses to take part in televised debates with the three other candidates.

In background, more than any leader in Peking, Mr Lee fits the classical Chinese concept of the scholar-official. Born in 1923 in a farming suburb of Taipei, he grew up during the Japanese occupation. Mandarin Chinese was his third language, after Taiwanese and Japanese, as Peking regularly points out, accusing him of being more Japanese than Chinese.

Against all the odds, the young Lee passed the highly competitive examination for high school, and went on to university in Kyoto, Japan. In the official biography, a fellow stu-



Lee Teng-hui: Champion of democracy in Taiwan

dent described Mr Lee's fencing tactics: "He never acted without first gaining control of the situation." He returned to Taiwan in 1946, a year after the vanquished Japanese army had ceded sovereignty of Taiwan to General Chiang Kai-shek's Kuomintang nationalist party. Now specialising in agricultural economics, Mr Lee alternated periods of research at home with further studies in the US. "He is very Taiwanese in his heart, Japanese in his temperament, and Western in his head," said Antonio Chiang. He is also a devout Christian.

Mr Lee was established as a successful academic when, in 1971, a report on farming problems impressed General Chiang Kai-shek's son and Mr Lee was appointed Taiwan's youngest minister of state. His subsequent

rise was unprecedented for a native Taiwanese: mayor of Taipei City in 1978, and Governor of Taiwan in 1981, the third highest position in the island state.

After General Chiang died in 1975, his son, Chiang Ching-kuo, unexpectedly turned out to be a reformer. Mr Lee was his protégé. Crucially, in 1984 Mr Lee was appointed vice-president, though at that stage it seemed far-fetched that a native Taiwanese would ever become president. But Taiwan was changing: in 1987 martial law was finally lifted, street protests were permitted, and press freedom was improved.

In 1988, the younger Chiang suddenly died, and Mr Lee took over as President and head of KMT. Later that year, he appointed a team of reformers to key top posts. For the first time the party's standing committee was elected by party members, and opposition parties were soon legalised.

As far back as 1990, at his delayed inauguration as president, Mr Lee charted a path that would inevitably bring him into conflict with the mainland. Peking's offer of "One country, two systems" for peaceful reunification was rejected. Private foreign visits by Taiwanese leaders appeared quietly on the agenda.

Mr Lee set about cleaning up Taiwan's anachronistic political system. He got rid of the KMT old guard, General Chiang's entourage from the mainland who had sat in parliament under the 1946 constitution with permanent seats, often asleep or senile. Direct elections were introduced. However, critics complain that he failed to confront extensive money and mafia influence in local and national politics - the biggest test for him if he is elected.

Modesty is not one of Mr Lee's strong points, and Taiwanese often attack him for being arrogant and reluctant to take criticism. But he has been campaigning furiously to secure his benchmark of 50 per cent of the votes. The act of voting was an expression of Taiwan's democracy, he thundered at a rally last week, adding: "I urge people to elect someone who has experience and has guts."



Rites of passage: Hong Kong citizens queue for British passports outside the colony's immigration department to beat the cut-off date of 31 March, before Britain hands over control to China next year. Photograph: Anat Givon / AP

## China's show of military might hits desired TV target

TERESA POOLE  
Taipei  
RUPERT CORNWELL  
Washington

Right on cue, China's state television last night broadcast the show that Peking's leaders want Taiwan's voters to see. Within hours of China's live-fire military exercises ending on schedule at the south of the Taiwan Strait, footage of its Sukhoi

fighters bombing target ships and warships firing missiles appeared on the evening news.

The official Xinhua news agency declared that the nine days of exercises had shown the People's Liberation Army's "powerful military might", with an exceptional range of aircraft, vessels, missiles, rockets and other ammunition. China's military "will never allow even one square inch of Chinese

territory to be separated", it added.

With just two days left before Taiwan goes to the polls in its first democratic presidential election, a separate series of army, navy and air force drills are still under way at the north end of the Taiwan Strait, albeit blighted by heavy rain. So far, this propaganda exercise, which is scheduled to continue until after the election, has been rather

a damp squib, with "only a few ship activities", according to the Defence Ministry in Taipei.

Peking wants to frighten voters away from supporting President Lee Teng-hui, the man who is expected to win and who has said he will continue to work towards greater international recognition for Taiwan. Yesterday, Mr Lee said that mainland missiles "had bolstered solidarity" among the Taiwanese.

His running mate, Lien Chan, who is prime minister, said Taiwan was nevertheless "seriously interested" in negotiating a peace agreement with the mainland after the elections.

In a compromise aimed at reassuring Taiwan without engaging mainland China, the US has agreed to supply the island's forces with Stinger anti-aircraft missiles, but refused Taipei's request for \$4bn (£2.6bn) worth of diesel-powered submarines to help resist any Chinese naval blockade of Taiwan.

According to Clinton administration officials, the arms shipments agreed at this week's regular annual review of Taiwan's military requirements were "fairly modest", despite Peking's campaign of deliberately intimidatory naval exercises in the Straits of Taiwan.

Apart from the Stinger missiles the US will provide an advanced targeting system for the Taiwanese air force and other electronic warfare equipment. The arms agreement is further proof that the White House will continue its existing balancing act, seeking to restrain Taiwan from unnecessarily provoking its giant neighbour, while signalling to Peking that aggression will not go unpunished.

Mr Christopher did not specify which countries were likely to join first, but they are widely believed to be Poland, Hungary and the Czech Republic.

The prospect of seeing its former vassal states joining the old Nato enemy has horrified many in Russia. President Yeltsin has even said that enlargement could ignite "the flame of war" across Europe.

The first thing we want you to do is sit down with us and talk things over face to face, person to person. Only by doing this can we get to know what's important to you.

And when we know that, we can suggest a sensible way forward that's right for your circumstances - whether it's a life assurance policy, a pension, a PEP or any of our other products. Then, and only then, should you actually think about buying something. So perhaps the first thing you ought to do is call us on 0800 806608.

United friendly  
PERSON TO PERSON

THE UNITED FRIENDLY MARKETING GROUP IS REGULATED BY THE PERSONAL INVESTMENT AUTHORITY FOR LIFE ASSURANCE, PENSIONS AND UNIT TRUST BUSINESS. UNITED FRIENDLY UNIT TRUST MANAGERS IS ALSO REGULATED BY SIRO IN THE CONDUCT OF INVESTMENT BUSINESS.

121-3PR



# obituaries / gazette

## Professor Sir Charles Oatley

The scanning electron microscope (SEM) has been described as the single most important scientific instrument of the post-war era. Charles Oatley pioneered its development at the Cambridge University Engineering Department in the decades immediately following the Second World War.

Manufacture of the first commercial production model commenced in 1965; thousands have since been made and are to be found in practically every research laboratory in the world. The striking three-dimensional images of microscopic organisms the instrument produces have been used to illustrate countless newspaper and magazine articles, as well as scientific research papers, which have given the general public a new perspective and appreciation of the world that lies beyond the resolution of the human eye.

Oatley was born in Frome, Somerset. His father, William, was the owner of a flourishing bakery business, and his mother, Ada Mary Dorrington, a school teacher. Although lacking any formal scientific education, William Oatley was intensely interested in scientific matters and passed this enthusiasm on to his son. He gave Charles an electric motor on his sixth birthday - not a common toy in 1910 - and he possessed a Watson Royal microscope which he taught his son to use.

Charles Oatley's first taste of education was at a small dame school, close to his home. In a delightful family memoir he recounts how at the age of five, accompanied by an older pupil, he set forth, armed with a slate, some slate pencils and a small sponge (to clean the slate) in an empty Lyle's Golden Syrup tin - a modest beginning to an academic career that would lead to the Royal Medal of the Royal Society.

This was followed by 10 years at a local council school, and then at Bedford Modern School as a boarder from where he won exhibitions to St John's College, Cambridge.

At Cambridge he read for the Natural Sciences Tripos, taking a First in Part I and a Second in Part II (Physics). He also obtained a half-blue for swimming, and captained the University Swimming team in his final year.

His supervisor at St John's was E.V. Appleton (of Appleton layer fame - a layer in the ionosphere which reflects radio waves); it was he who first aroused Oatley's interest in electronics, and was to have a profound influence on his subsequent career.

On Appleton's advice Oatley obtained in 1925 a job with Radio Accessories in Willesden, a small company manufacturing radio valves: here he gained valuable experience of manufacturing techniques and, as the only graduate in the company, was called upon to tackle a wide variety of practical physics problems. After two years, however, he was invited to return to academic life by Appleton, who had meanwhile moved to the Physics Department at King's College London.

The next 12 years at King's were spent largely teaching and examining, with little time for research, but they were, as Oatley acknowledges in his writings, among the happiest of his life. It was in this period that he married Enid West. He also published a useful little book, *Wireless Receivers* (1932), that was read widely by enthusiasts.

At the onset of war in 1939, he was asked by J.D. Cockcroft, whom he had met at St John's, to join a team at the Air Defence Experimental Establishment (ADEE) at Christchurch, Dorset, which was being formed to work on the development of what was to become known as radar. Oatley was given the task of building up a Measurement Group to carry out measurements on components under construction in the Establishment - aerials, transmitters, receivers, modulators, displays and so forth. In the last year of the war he was appointed acting-superintendent of the establishment, which numbered some 1,000 people, and which by this time was located at Malvern under the name of the Radar Research and Development Establishment. His contribution to the achievement of the British superiority in wartime developments in radar was very considerable.

After the war he was offered a Fellowship at Trinity College, Cambridge, and a Lectureship in the Engineering Department, which was then under the dynamic leadership of Sir John Baker. With Baker's encouragement, Oatley revolutionised the teaching of electrical subjects in the Department, particularly electronics, with the introduction of the Electrical Sciences Tripos. This produced a stream of able research students and additional teaching staff, which in the following decades played a significant part in the development of the scanning electron microscope. He was elected to the Chair of Electrical Engineering in 1960.

Charles Oatley's interest in the SEM was first aroused when he learned of pre-war work by M. von Ardenne in Germany and V.K. Zworykin in the United States. This had produced inconclusive results, but with his wartime experience Oatley realised that new techniques and methods were available which could be applied to the scanning concept. More importantly, to his way of thinking, research on the scanning electron microscope principle offered the ideal avenue through which to apply his extensive experience, and to stretch his own mind and those of his future research students.

His first research student, D. McMullen, began in 1948, and a working instrument was produced by 1951. This incorporated a novel configuration of the electron optical imaging elements, producing startlingly realistic images of surfaces, capable of interpretation even by the uninitiated.

Oatley was convinced that the SEM would turn out to be an important laboratory tool; however, this was far from being the consensus among microscopists who, by and large, believed that this new instrument could never compete with the well-

established electron microscopical techniques of the time. It was met with indifference and even, in some quarters, ridicule.

Nothing daunted, Oatley took on more research students and ploughed more effort and money into the project. L. Peters, a gifted technician, was assigned to it, new instruments with improved performance were constructed, and new fields of application explored. Among the many notable developments in the two decades following was the extension of the technique to electron beam microfabrication, which has had a major impact in the manufacture of microcircuit chips for computers.

After many false starts and disappointments, Oatley's faith and tenacity were finally rewarded in 1965 with the launch of the world's first series production SEM: the Stereoscan, manufactured by the Cambridge Instrument Company. His book on the subject, *The Scanning Electron Microscope*, was published in 1972.

Many honours followed from this success: election to the Royal Society and receipt of its Royal Medal and Mullard Award; Fellowship of the Royal Academy of Engineering; Fellow of King's College London; a knighthood in 1974.

Charles Oatley was held in great esteem by his colleagues, and was regarded with affection by all who worked closely with him, particularly his research students with many of whom he and his wife established lifelong friendships. This was manifest on the occasion of his 90th birthday when a one-day seminar was held in his honour at Churchill College. Over 100 attended - colleagues, research students, and workers in scanning electron microscopy and related fields from across the globe.



Oatley: startling images

A.N. Broers and K.C.A. Smith

*Charles William Oatley, engineer, born Frome, Somerset 15 February 1904; Demonstrator, later Lecturer, King's College London 1927-39; Lecturer, later Reader, Department of Engineering, Cambridge University 1945-60; Professor of Electrical Engineering 1960-71 (Emeritus); OBE 1956; FRS 1969; Kt 1974; married 1930 Enid West (two sons); died Cambridge 11 March 1996.*

## Roswell Gilpatric

Roswell Gilpatric's great moment came in the tensest moments of the 1962 Cuban missile crisis. In private, he was widely believed to have been the lover of Mrs Jacqueline Kennedy Onassis.

Gilpatric was a member of "Ex Comm", the top-level working group President John F. Kennedy had entrusted with managing the US response to Nikita Khrushchev's decision to deploy Soviet nuclear weapons in Cuba. The President's national security adviser, McGeorge Bundy, had put forward the case for bombing the Soviet missile sites in Cuba, from which Soviet missiles with nuclear warheads could reach much of the United States. Gilpatric's boss, the defence secretary Robert S. McNamara, argued against bombing, saying no one could tell how the Russians would respond. As Kennedy hesitated, Gilpatric, the Wall Street lawyer, intervened.

"Essentially, Mr President," he said, "this is a choice between limited action and unlimited action, and most of us think it is better to start with limited action."

On other occasions, however, Gilpatric took a hard line. A staunch Cold Warrior, he had

served as Under-Secretary of the Air Force in the Eisenhower Administration. He was the head of a secret task force of which General Edward Lansdale, the original of Graham Greene's *The Quiet American*, was a member. His brief was "to prevent Communist domination of Vietnam", and Gilpatric consistently argued for US commitment.

He also signed off on the overthrow, though not explicitly on the murder, of General Diem, the leader of the pro-American government of South Vietnam. (Diem was removed from power by a military coup with American approval, given on McNamara's behalf by Gilpatric, so far as the Pentagon was concerned. The balance of evidence suggests that Washington officials were not aware that the Diem family were to be killed.)

Gilpatric was, too, a member of the "special group" which planned Operation Mongoose, the CIA's dirty tricks campaign against Fidel Castro in Cuba.

Gilpatric's cautious advice against bombing Cuba was characteristic of the calm Wall Street lawyer. A lifelong Republican, Ros Gilpatric was a partner from 1940 to 1977 in

Cravath, Swain and Moore, one of the two or three most prestigious of the "white shoe" Wall Street law firms. His clients included major banks and industrial corporations and especially defence and aerospace companies.

Gilpatric was the epitome of the "dollar-a-year man" of what had been called the "American Establishment" who came down from Wall Street to serve in government before returning to "the private practice of law". He was a protégé of one of the most celebrated of them, Robert Lovett.

He came from an upper-class New York background and was educated at the Hotchkiss School, a famous private boarding school, and at Yale. He was a childhood friend of Governor Nelson Rockefeller.

President Kennedy used to question him closely about Rockefeller's plans, his character and his girlfriends. "He has lots," said Gilpatric. "How does he get away with it?" asked the President, who was getting away with "it" himself at the time on an epic scale.

By a twist of history, it is widely believed that Gilpatric himself became the lover of the

President's widow, Jacqueline Bouvier Kennedy, after his death and before she married Aristotle Onassis.

A brother Wall Street lawyer offered for sale letters written to Gilpatric by Mrs Kennedy over a five-year period, beginning before his assassination. The letters were subpoenaed by the third Mrs Roswell Gilpatric, who was then seeking a legal separation.

The letters are intimate but inconclusive as to the nature of his friendship with Jacqueline Kennedy. One of them, written just after her marriage to Onassis, said, "I hope you know all you were and are and will ever be to me." It was signed, "With my love, I". But Gilpatric denied that he and Mrs Kennedy Onassis had ever been anything but the best of friends.

From 1972 to 1975 Gilpatric served as chairman of Federal Reserve Bank of New York. He was also a trustee of the Metropolitan Museum and of the New York Public Library.

Godfrey Hodgson

*Roswell Leavitt Gilpatric, lawyer and administrator; born 4 November 1906; married five times (one son, two daughters); died New York 15 March 1996.*



'I hope you know all we were': Gilpatric (left) on vacation with Jacqueline Kennedy in 1968, on a visit to a Mayan temple in Mexico

## Margaret Read

As a Catholic convert, but married to the Anarchist and agnostic, poet and critic Sir Herbert Read, one might think that Margaret Read had few opportunities for keeping her own faith tucked. In fact she was three times lucky.

When she was a young woman - she and Read having dramatically eloped from Edinburgh - Henry Moore lent them his studio in the Mall Studios in Belgrave Park, north London, where her immediate neighbours were Ben Nicholson and Barbara Hepworth with Moore himself just round the corner. But - *par contre* - *le bonheur* - there was the Roman Catholic church of St Dominic, within. She might have said, whistling distance, "There was a little passage and if you went to the priory and said a little prayer, there was a movie there, just opposite the passage: you said your prayer, nipped out of the church and into the movie." Was it a fluke that she was so close to a Catholic church? "Oh a pure fluke, and there was the monastery at the end of our garden."

There would be a much larger monastery years later when Herbert Read, a born Yorkshireman who had always longed to return to his beginnings, found a lovely old house, near Kirmansmoor, not far from the farm where he was

born - and within easy reach of Ampleforth College and Monastery. There Margaret Ludwig, a professional viola player who had once been in the orchestra at Glyndebourne, found a rich religious and musical life, with intelligent and musical monks - and a college for the three Read boys; and, even closer, Hovingham Hall, childhood home of the later Duchess of Kent. There she invented, organised and inspired three wonderfully idiosyncratic music and opera festivals.

But in the years between, the war years and late Forties, the family lived in Buckinghamshire which she rather despised as suburban. It was a simple house in the village of Seer Green that saw a coming and going of some of the most eminent artists, writers and musicians of the time. A string quartet was formed and, at the famous Mayflower Inn at Jordans, Benjamin Britten and Peter Pears and Pauline and many others accepted her urgent pleas to come and perform.

At Broom House a Bible was always placed beside the bed when T.S. Eliot was expected. Once when the (occasional) Kenneth Clark announced that they would "drop in", "The Clarks are coming slumming," she warned. Naomi Gabo came several times, irrepressible and unstoppable; he



'Ludo' Read: gives that were witty but never malicious

talked sculpture, philosophy, politics in his rich Russian accent, keeping Herbert up into the small hours while the hostess resolutely went to bed. Oskar Kokoschka appeared bringing Herbert a lovely watercolour of a fish (not many English artists whom Herbert Read had helped to fame were so generous) and George Hootner was around, the Hungarian film producer who had just finished his film of Eliot's *Murder in the Cathedral*, making quite a pass at Mrs Read; too much of a professional charm to be taken seriously. (She was unimpressed by the film.) Her gibes about some of the visitors were witty but never malicious. Who was it whom

she described as a rose-red pansy half as old as time?

Karl Mannheim, the sociologist, came to lunch at the round Finnish dining table, with a swivelling serving platform on top which you had to turn yourself to seize the food. It showed you up as either greedy and pushing or as timorous, with probably an inferiority complex, he pronounced.

"Ludo" Read was quite pleased with that analysis, and some time later the movable servery disappeared. Altogether, modern Finnish furniture was not her choice and if there was any audible disagreement between the spouses it was not over the most obvious subject of religion but something one might label

"The Battle of Styles". Black leather and steel armchairs and glass tables furnished even some of the 18th-century Stonegrave House, in Yorkshire; but now and again Lady R came back from a country auction, pleased like a Yorkshire cat at having purchased some heavy mahogany piece with knobs - which Sir Herbert called names and tried to banish into the garage.

On the other hand she was extremely fond of their modern artist friends, Barbara Hepworth, Ben Nicholson, Henry Moore, Patrick Heron and their works - but quite undaunted by them. Once when Hepworth, much "into nature", criticised Reagan both looked and sounded misused - unlike Bissell, who had been far more convincing as Woodrow Wilson on television in *Profiles in Courage*. In the one feature film on which Bissell enjoyed top billing, *I Was a Teenage Frankenstein* (1957), he played Professor Frankenstein with a straight face while delivering lines like "Speak, I know you have a civil tongue in your head because I sewed it back myself!"

On stage from boyhood, he was on Broadway before becoming a regular film performer in the late Forties, when his lean features led to his playing petty hoods and callow young men such as the young

## Whit Bissell

In a screen career that covered 35 years, from *Holy Matrimony* in 1943 to *Casey's Shadow* in 1978, Whit Bissell was rarely to be encountered in a domestic setting. Whether playing a lieutenant-commander in *The Caine Mutiny* (1954), a medical officer in *The Manchurian Candidate* (1962) or a veterinary surgeon in *Hud* (1963), he looked as though he had spent the rest of the day in an office or with other patients, rather than in make-up memorising his lines.

Actors like him are one of the reasons that their real-life equivalents are usually such disappointments. When an actor became US President, many onlookers thought that Ronald Reagan both looked and sounded misused - unlike Bissell, who had been far more convincing as Woodrow Wilson on television in *Profiles in Courage*. In the one feature film on which Bissell enjoyed top billing, *I Was a Teenage Frankenstein* (1957), he played Professor Frankenstein with a straight face while delivering lines like "Speak, I know you have a civil tongue in your head because I sewed it back myself!"

On stage from boyhood, he was on Broadway before becoming a regular film performer in the late Forties, when his lean features led to his playing petty hoods and callow young men such as the young

inmate in Jules Dassin's *Brute Force* (1947), goaded into hanging himself by a sadistic governor. A few years later he was back inside as Snader, the meanest of the wardens taken hostage in *Don Siegel's Riot in Cell Block 11* (1954).

Bissell was reunited with Siegel two years later when he appeared in the framing scenes imposed by Allied Artists at the beginning and end of the science-fiction classic *Invasion of the Body Snatchers* (1956), playing the doctor who believes Kevin McCarthy's extraordinary tale of pod people preying on humans and who ends the film on an unplanned note of optimism by reaching for the phone to alert the authorities in time for the final fadeout.

Bissell received the life career award from the Academy of Science Fiction, Fantasy and Horror Films in 1994.

Richard Chatten

*Whitner Bissell, actor; born New York 1909; married (one son, three daughters); died Woodland Hills, California 5 March 1996.*

Bissell's roles gained in seniority as his face filled out and his hair greyed, although the anxious expression that he wore could sometimes denote a character who would pass the buck in a crisis or had a guilty secret; like the right-wing senator conspiring with loony general Brut Lancaster to stage a White House coup in *Seven Days in May* (1964), or the devious governor running for re-election in a futuristic New York who gives the nod to a cover-up of the macabre conspiracy at the heart of *Soylent Green* (1973).

He was required to look anxious for much of Irwin Allen's 1966 television series *The Time Tunnel*, as Lt-Gen Heywood Kirk. His co-worker Lee Meriwether later recalled that the series was extremely hard work as she and Bissell were required week after week to work at breakneck speed reacting to what on the set was actually just a blank screen, with little to do but twiddle the occasional knob and exclaim "We're losing him!" or "Tony, look out!"

Bissell received the life career award from the Academy of Science Fiction, Fantasy and Horror Films in 1994.



Bissell in *Seven Days in May*. Photograph: Ronald Grant Archive

## Births, Marriages & Deaths

**BIRTHS**  
MONTAGUE / MILLAR: To Charlotte and Brian, on 15 March, at home, a son Adam Jonathan, a brother for Catherine and Hannah.

**MORTIMER**: On 9 March 1996 to Kathleen (née Isaac) and Andrew, a son, Matthew John.

**Announcements for Gazette BIRTHS, MARRIAGES & DEATHS** (Births, Adoptions, Marriages, Deaths, Memorial services, Wedding announcements, In Memoriam) should be sent in writing to the Gazette Editor, The Independent, Canada Square, Canary Wharf, London E14 3DL, telephone 0171-293 0111 (24-hour answering machine 0171-293 2012) or faxed to 0171-293 010, and are charged at £6.50 a line + VAT.

**Forthcoming marriages**  
Mr M. Kirkham and Miss J.M.C. Charlesworth  
The engagement is announced between Michael, son of Sir Graham and Lady Kirkham, of Canby Hall, Yorkshire, and Julia, daughter of the Rev and Mrs Eric Charlesworth, of Slimbridge Rectory, Gloucestershire.

**Birthdays**  
Lord Boston of Faversham QC, former chairman, TVS Entertainment, 66, Mr Peter Brook, theatrical producer, 71; Dr Clark Brundin, President, Templeton College, Oxford, 65; Mr Brian Clough, former football manager, 61; Mrs Ann Cloyd MR 59; Mr Timothy Dalton, actor, 50; Miss Owen Davies, former Headmistress, St Swinith's School, Winchester, 70; Mr Geoffrey Dearmer, poet, 103; Mr Michael Foreman, author and illustrator, 58; Mrs Lin Goding

and songwriter, 60; Professor Roger Williams, Vice-Chancellor, Reading University, 54; Lord Wilson of Langside QC, former Lord Advocate, 80.

**Anniversaries**  
Births: Johann Sebastian Bach, composer, 1685; Dorothea Beale, educationalist, 1831; Modest Petrovich Mussorgsky, composer, 1839; Albert Chevalier, actor, entertainer and singer, 1861; Herbert Albert Laurence Fisher, historian, 1865; Florence Ziegfeld, stage producer, 1899; Bernard Cyril, first Baron Freyberg, Governor-General of New Zealand, 1899. Deaths: Thomas Cranmer, Archbishop of Canterbury, burnt at the stake 1556; Robert Southey, poet, 1843; Philip Wilson Steer, painter, 1940; Harry H. Corbett, actor, 1982; Sir Michael Scudamore Redgrave, actor, 1983. On this day: the coronation of King Henry V of England took place, 1413; a duel was fought by the Duke of Wellington and

the Earl of Winchester, 1829; the Scottish National Gallery in Edinburgh was opened, 1859; the last offensive by the Germans began on the Western front - the second Battle of the Somme, 1918; Waterloo Station, London, was opened, 1922; Dr Kwame Nkrumah became the first African prime minister south of the Sahara, 1952; the Sudan became independent, 1953; the London Planetarium opened, 1958; African demonstrators were shot at Sharpeville, South Africa, 1960; the musical *Half a Sixpence* was first produced, London 1963; Martin Luther King led a civil rights march, starting at Selma, Alabama, 1965; John Stonehouse, a former government minister, was arrested in Australia on an extradition warrant after allegations of fraud and theft, 1975; Namibia, formerly known as South West Africa, became independent, 1990; the Government decided to scrap the Poll Tax by 1993 to return to some kind of property tax, 1991. Today is the Feast Day of St Ender,

St Fintan and St Serapion of Thubais.

**Lectures**  
National Portrait Gallery: Room in View Lecture Series: Charles Sumner Smith, "The Late 18th-Century Interior and the Portrait", 1.10pm.

Royal Society: Professor F. Close, "The Cosmic Onion", 6pm.

University College London: Professor David J. Banister, "Reducing the Need to Travel", 5.30pm.

Royal Institution of Great Britain: Ian Taylor MP, "UK Science and Technology Policy", 1pm.

**Dinners**  
Air Force Board  
Mr Michael Portillo MP, Secretary of State for Defence, and Air Chief Marshal Sir Michael Graydon, Chief of the Air Staff, jointly hosted a dinner for the Air Force Board yesterday evening at Admiralty House, Whitehall, London SW1. The guests were:

The Hon Noel Broom, High Commissioner for Australia; Air Marshal P.T. Scattergood, CBE; Sir Denis Thatcher CBE, Judge Richard Lewy; Sir John Adgey, Mr Frederick Forsyth, Mr Tobias Green, Air Marshal Sir John Harris, Mr Charles Moore.

Royal College of Anaesthetists  
Mr Stephen Dorrell, Secretary of State for Health, and Mr Gerald Malone, Minister of Health, were guests of honour at the Anniversary Dinner of the Royal College of Anaesthetists held yesterday evening at the Royal College of Surgeons in England, London WC2. Professor Cedric Frys-Roberts, President, was the host. Lord Kilpatrick and Professor, Mrs Leslie Turnbull, President, Sir John Harris, Mr Charles Moore, Earlier, Professor Joe Whitman delivered the Joseph Clover Lecture and the President presented Professor Frank James with Fellowship of the Royal College of Anaesthetists by Election.

**ROYAL ENGAGEMENTS**  
The Prince of Wales hosts a concert and dinner to celebrate the 80th birthday of Lord Munnih in Buckingham Palace. The Duke of Kent attends. The Princess Royal, President, British Knitting and Clothing Export Council, visits Action Apparel Limited, 11/12 Palmers Road, East Mounds, Redditch, Worcestershire, as President. Save the Children Fund, visits the Save the Children Fund Shop, 18 Pump Street, Worcester, as Patron, Sense - the National Deafblind and Rubella Association, visits a Sense shop, 4 Blackwell Street, Swan Centre, Kidderminster, Worcestershire. The Duchess of Kent, Patron, visits Nuffield Orthopaedic Centre, Headington, Oxford.

**Changing of the Guard**  
The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 11am.

day evening at Admiralty House, Whitehall, London SW1. The guests were:

The Hon Noel Broom, High Commissioner for Australia; Air Marshal P.T. Scattergood, CBE; Sir Denis Thatcher CBE, Judge Richard Lewy; Sir John Adgey, Mr Frederick Forsyth, Mr Tobias Green, Air Marshal Sir John Harris, Mr Charles Moore.

Royal College of Anaesthetists  
Mr Stephen Dorrell, Secretary of State for Health, and Mr Gerald Malone, Minister of Health, were guests of honour at the Anniversary Dinner of the Royal College of Anaesthetists held yesterday evening at the Royal College of Surgeons in England, London WC2. Professor Cedric Frys-Roberts, President, was the host. Lord Kilpatrick and Professor, Mrs Leslie Turnbull, President, Sir John Harris, Mr Charles Moore, Earlier, Professor Joe Whitman delivered the Joseph Clover Lecture and the President presented Professor Frank James with Fellowship of the Royal College of Anaesthetists by Election.



# All bull and bravado

Health ministers can no longer bully us into swallowing their propaganda on 'safe' beef

We should break up the Ministry of Agriculture, Fisheries and Food (MAFF) and sack its propagandists. Then, on beef, as on many other food issues, politicians should have the courage to admit their ignorance. Yesterday, ministers should simply have noted the scientific news and said something brief, such as: "Use your own instincts about what to eat. As for ourselves, we're not sure."

Fat chance. They are politicians and must pump the day away. The official view of the beef "scare" like the salmonella "scare" and the listeria "scare" is that there is a conflict between Reason, represented by science and government, and popular Frenzy, represented by woolly-headed consumers and scaremongering journalists.

In the Commons the impression was given that there is a pure and disinterested body of scientific knowledge on which ministers purely and disinterestedly draw. Stephen Dorrell, the Health Secretary, and Douglas Hogg, the Agriculture minister, repeatedly referred to the "latest... independent... scientific advice". They were, they implied, mere messengers, carrying unchallengeable truth down to the easily panicked people.

But they aren't mere messengers, and this isn't unchallengeable truth. Hogg, in particular, is the representative of MAFF, which is a player, the self-appointed champion and cheerleader of the beef farming industry. So there was a telling difference of emphasis between him and Dorrell.

The latter stressed that he wanted more advice for parents and merely repeated the scientific advice about the risks. At one point he told MPs: "We have received urgent advice and we are acting urgently..." in the national interest. Compare that with Hogg's repeated mantra that "British

beef can be eaten with confidence."

Whether it can or not, I wouldn't trust Hogg on the subject. Nor do I understand why his job, in its present form, exists. We don't have a construction minister going around urging us to buy more houses. We don't see politicians going on the telly to campaign for the wearing of British shirts or shoes, the drinking of Scotch or the playing of English software games.

So why do ministers feel the need to stuff British meat, eggs, cheese or whatever down voters' throats? We are a nation of well-informed consumers able to make up our own minds about what we eat. Why should ministers tell us whether or not to give up beef? Why is this one industry thought deserving of particular political support?

**Why do ministers feel the need to stuff British meat, eggs or whatever down voters' throats?**

It isn't as if agriculture is one of our huge national employers any more – it is only a quarter of its 1945 level. Though there are many poor farmers, there has been a big shift to large-scale farms, further stimulated by the Common Agricultural Policy. With some studies suggesting that up to a quarter of farmland may go out of production by 2010, being used for woodlands, building, golf-courses, tourism or what have you, I fail to see why government needs to propagandise so vehemently for one form of land use over other kinds.

While MAFF does carry on in this way, the country will be unconvinced



ANDREW MARR

by its line on beef. Hogg had said that the previous regulations for the treatment of beef carcasses were fine. Yesterday he announced extra ones and said controls in slaughterhouses "should be even more vigorously enforced". So where does that leave his previous, equally confident advice?

Similarly, it is always dangerous to see science as beyond politics. Scientific knowledge about beef, as on so many other questions, is incomplete, changing, mired in controversy and affected by personality clashes, funding and the pressure of time.

The scientists don't know, either. It is not proven that BSE was caused by the mad cow disease (scrapie) being fed to cattle. This hasn't happened in other countries which also use animal protein as cattle feed. In America, researchers have been feeding cows with scrapie-contaminated gunk for years without managing to give them BSE.

Yet ministers and their advisers speak and act as if they do know: their strategy for BSE has assumed that contaminated feed was the problem. In 1988 the feeding of animal proteins to cows was banned; the Government's Southwood Committee predicted that the disease wouldn't be passed on and would peak at 20,000 cattle deaths. To date, the figure is slightly more than 160,000 deaths.

If mashed sheep-gunk isn't the trouble, what might be? Speculation abounds. There is a rival theory, championed by an organic farmer from the West Country called Mark Purdey, which is that BSE is linked to pesticides called organophosphates, or OPs.

Purdey and his supporters suspect that these very widespread and highly toxic chemicals, spreading through the food chain, are a very serious danger to human health. Richard North, the writer who specialises in these issues, says he was sceptical but had assumed that MAFF scientists would take the idea seriously.

But Purdey was abused, ridiculed and harassed by the "official" scientists who were committed to the pesticides he was questioning. After all,

**These scares gain momentum because of the widespread unease about the food industry**

MAFF had licensed OPs to be used in quantities far higher than in other countries; if there was a link with BSE, the department itself would be responsible for it, and who knows what else?

This returns us to the earlier point about MAFF's multiple personality. North sees a connection with the 1964 Cairns inquiry into aircraft accidents, which argued that it wasn't right for the Board of Trade, which was responsible for certifying aircraft safety, to be also responsible for investigating accidents: "intellectual corruption" would ensue. As a result the world-renowned Aircraft Accident Investigation Board was formed.

Similarly, MAFF's involvement in licensing OPs and leading the national reaction to BSE is open to the charge of intellectual corruption. That's why it deserves to the final carcass on the pile of BSE victims.

Let us turn, finally, to the woolly-minded and scare-mongered general public, remembering that during the salmonella, listeria and BSE "scare" there have been actual poisonings or deaths.

Yes, we live in a time of food-faddism and hysteria about sugar, butter, fat, coffee, breakfast cereal, and so on. Yes, newspapers tend to exaggerate any potential threat: as this paper's restaurant critic, Emily Green, put it to me, there are too many "dumb little scribbles" writing about BSE who don't know the difference between a Charollais and a Gloucester Old Spot. (One's a pig.)

But I think these "scare" gain momentum not because of journalistic conspiracy or ignorance but because of something else – the widespread and wholly rational unease about the modern food industry. People worry about the 400-plus chemicals approved for use on British crops, the additives, the growth hormones and the antibiotics, the mass-production sheds, the genetically engineered animals and fruit. They know we are pushing nature to the limits, experimenting, meddling, tinkering. They are not fools.

And when things go wrong, as sometimes they must, most people will trust their instincts, not secretaries of state or anonymous, unelected committees of scientists. This is a vast, self-confident industry, rich in land, money and political influence. So the instinct of governments is to reassure us; to pretend that they know. But they don't. They haven't a clue.

## Accentuate the positive, Tony

Labour can woo business away from the Tory party over Europe, writes Denis MacShane

My first memories of foreign affairs debates were of the Soviet Foreign Minister Andrei Gromyko exulting in his threat to use the veto in the United Nations. Mr. Gromyko was then called, has now resurfaced in contemporary British politics in the shape of Malcolm Rifkind whose White Paper on the European Inter-Governmental Conference will be debated tonight in the House of Commons.

In between the natty little maps and colour charts the verb that leaps from page after page of Mr. Rifkind's White Paper is "oppose". Britain's Foreign Secretary has become Europe's Mr. No, the great No-sayer, without any concrete proposals to put on the negotiating table but an infinite capacity for finding reasons why nothing should be done.

Mr. Rifkind is practising what the French call *non faire* in advance – hoping by running faster than his own troops to avoid the battle. It is not working with his own party. Even in the House of Commons, Labour ministers such as Norman Lamont and John Redwood are obsessed by anti-Europeanism. The former cabinet minister, Jonathan Aitken, has used the word – withdrawal – when commenting on Mr. Rifkind's White Paper in the Commons.

The anti-Europeans are now the most vocal force in the Tory Party. They have developed a powerful new theory and practice based on protecting British sovereignty and our political institutions from European influence.

But the trouble with political protectionism is that it leads ineluctably to economic protectionism. From a continental perspective, the devaluation of the pound and UK government policies aimed at lowering wages and social rights amount to an unfair export subsidy for goods made in Britain. In France, Jacques Chirac, the influential head of Peugeot, speaks openly of protecting the French market from such unfair competition. The German government, fed up with Britain's veto of a European directive covering foreign workers anywhere in Europe, now says the *Auf Wiedersehen* to building workers from England must abide by national rules on wages and social protection, a measure aimed at helping German construction firms and German bricklayers.

Labour has come rather late in the 20th century to an understanding of the need for outward-looking economics and politics. The globalised econ-

omy requires co-operation and pooling of power and policies not a retreat into nationalism and protectionism. The great prize for Labour in British politics lies in the opportunity to detach a sizeable chunk of British business from its century-long adherence to the Conservatives. All our exporting firms, including companies such as Nissan, British Steel, BT and British Aerospace, as well as our banks and our insurance companies, which are well placed to compete in Europe, need ministers who can offer a positive agenda on Europe. These firms will also need the European Court of Justice – the new target for

**Labour is shaping a patriotic Europeanism that has ancient roots**

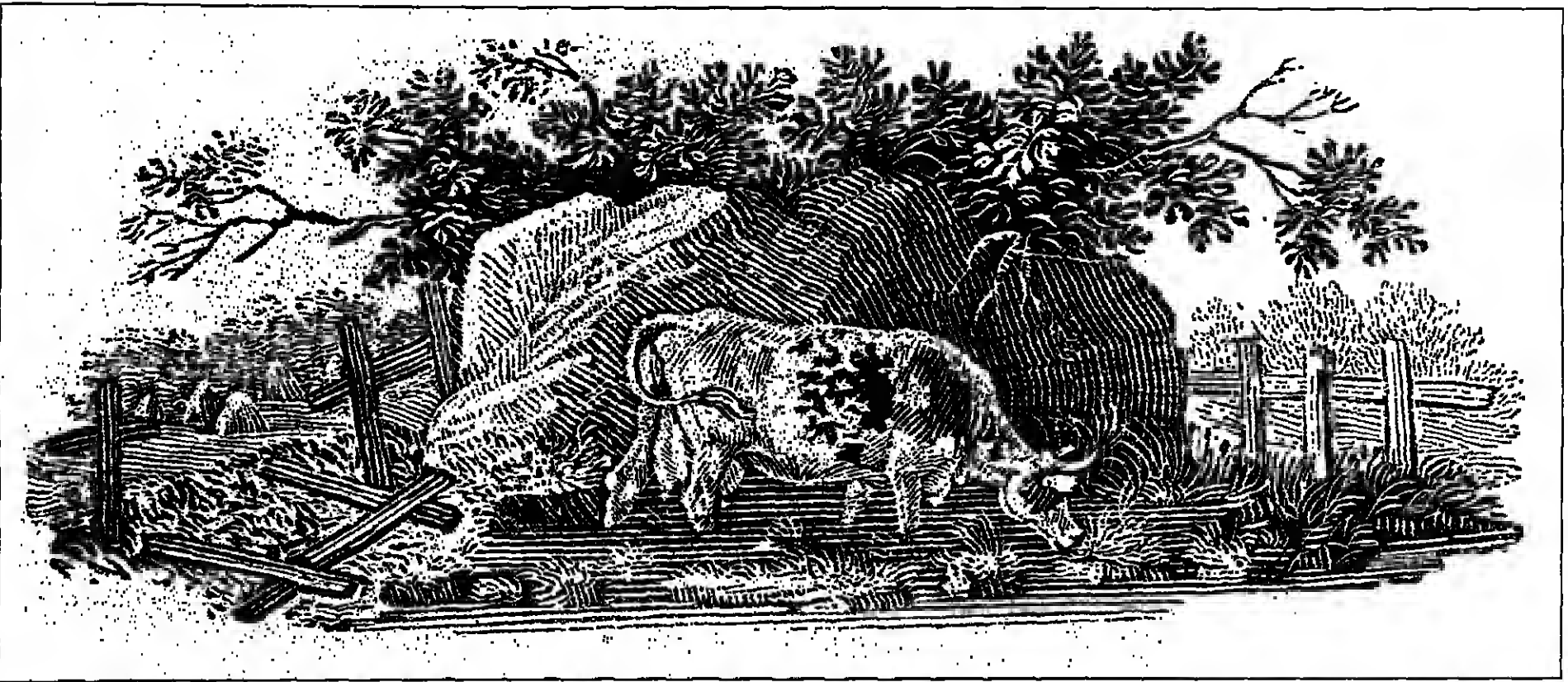
the Prime Minister – to break down barriers and secure access for British goods and services in the national markets of Europe. Pandering to nationalist Tory protectionism and saying "No, No, No" is bad news for British business.

Between the nationalists of the Tory right and the dwindling group of out-and-out federalists, Tony Blair and Robin Cook are shaping a patriotic Europeanism that has ancient roots. Britain has always done best when it has been present in Europe, either directly in alliances, councils, or unions. Isolation from Europe, the Conservative politics of the Thirties, was a disaster for Britain.

Blair and Cook have repositioned Labour as the British party that can best deal with our European partners. And component elements of the new Labour Party, including local councillors, trade unions and opinion-formers in the universities, are now at ease over engagement in Europe.

If a positive agenda for Europe is shaped – along the lines of what the French politician Philippe Seguin recently called "a federation of nation-states" – then Labour will not only serve British interests. It may see a sunnier of the Conservative Party into its national xenophobic and its democratic-capitalist grouping and open the way to a long period of Labour hegemony in British politics.

Denis MacShane is Labour MP for Rotherham.



Two hundred years ago, before modern farming techniques, Thomas Bewick pictured truly contented British cows

Illustration: Bridgeman Art Library

## Still the king of cheap sentiment

Has Barrymore's open homosexuality turned off his viewers? Paul Valley detects wishful thinking

Michael Barrymore in gay ratings shock, proclaimed the tabloids earlier this week. Could it be that commercial television's top light entertainer had yet again invited uniformed members of the Royal Marines onto his show? Alas, it was nothing so exciting. The news – if one may use the word so loosely – centred around the suggestion that the viewing public have begun to spurn Barrymore since he announced last year that he was homosexual.

"Barrymore turns off 2 million viewers", was the way the *Daily Mail* put it. A year ago Barrymore regularly attracted 11.5 million viewers, it revealed. "But figures have plummeted by 18 per cent – more than any other show in TV's Top 50 – since the star came out of the closet. The programme now has an audience of 9.4 million, taking it from 17th to 32nd in the ratings."

Well, up to a point, Lord Rothermere, Michael Barrymore (for those who are otherwise occupied on Saturday evenings) is the Eighties equivalent of the lovable music-hall cheeky chappie whom the cultural historians thought would die out when the final remnants of Variety passed away. He croons comically, tells bad jokes without apparent irony, insults his guests without malice, says risqué things without giving offence and lades on the sentiment shamelessly – when he gets a little blind girl on the show to sing "Somewhere Over the Rainbow" he chokes up and his audience chokes up too.

The Eighties equivalent because there is already something old-fashioned about the high-energy larks and verbal slapstick of this life-and-soul-of-the-party, man-in-the-Essex-pub funny guy. It's partly the sharp sub. It's partly the workaholic in him (Barrymore is the kind of performer who only appears to exist when in public; he once got so carried away he did a two-hour warm-up and exhausted the contestants before the show

began. "When he opens the fridge door and the light comes on he does 20 minutes," said one insider, pinching a remark which was originally made about another great manipulator of cheap sentiment, Al Jolson.)

But Barrymore does it all in a slightly fey style with a camp edge to it. All very amusing in a heterosexual. But do the public view that kind of thing differently now they know it comes from an outed gay? Is there a wince factor now in evidence?

It is sad for journalists when the facts get in the way of the story. When Barrymore was attracting 11 million viewers last year he appeared on a Sunday night (the day of the week when most people watch TV) with nothing more enticing than *Songs of Praise* on BBC1. His total share audience was 44 per cent.

It is true that his audience is now averaging around 9.3 million but his share is only down to an average 41 per cent compared with the 42 per

cent for BBC1 which screens the very similar Noel Edmonds' *House Party* at the same time. "It's not regarded as much of a drop," said one industry observer, "especially as Barrymore has a very poor lead-in from the previous programme, *The Shane Richie Experience*, which is the real dud of the evening, pulling an audience of only 7.5 million. Barrymore boosts that by 1.5 m. Yet for some reason people talk about Richie as the blue-eyed boy and Barrymore as being on his last legs."

In addition, *Noel's House Party* has the dual advantage of starting eight minutes earlier than Barrymore and gaining extra viewers towards the end of the programme as people switch on early for the National Lottery results which follow. It is a pattern that BBC1 has had in place through the autumn, building up an established pattern of viewing habits for the early-evening viewer.

The Jeremiahs are not to be fobbed off with such detail. Even within the

than stated. The audience knew full well that in his behaviour lay the possibility he might be homosexual, but it doesn't want to be told definitively.

In previous times performers such as Frankie Howerd, Kenneth Williams and Larry Grayson knew this. They disavowed their sexuality, by avoiding direct mention of it, or – if questioned – by denying it. "It was part of their contract with the public," says Simpson. "They presented a version of themselves but they didn't push it all into the face of the public." There was something of the enigma about them; they never prompted their audiences to ask what in private they might do with their genital equipment.

One of the reasons that the recent remakes of the *Carry On* films didn't work is that they were playing with boundaries – of class and gender – that people no longer recognise. The old *Sixties* films remain funny because they conjure up a world in which such things mattered. But contemporary

**'Before, Michael Barrymore was crossing boundaries of class and gender. Now people look at him as a Homosexual with a capital H'**

gay community there are those who are happy to discern some greater sociological purpose behind the facts.

"Before he was crossing boundaries – of class and gender – all the time, but now he last lost some of his ambiguity and some of the cheekiness is lost with it," says Mark Simpson, author of the forthcoming collection of essays *It's A Queer World*. "People are looking at him now as a Homosexual with a capital H and everything he does is over-determined – it has too much meaning attached to it now."

Such comedy, he insists, lies in the contradictions Barrymore brought together, not least in the ambiguity of his sexuality. "It was implied rather

attempts to maintain that they still do gain no purchase.

By contrast Barrymore is the first top performer to come out of the closet. Simpson reckons that some people now find him less amusing – not out of homophobia but because campness without the irony of ambiguity loses its humour. "He may well now have to renegotiate his contract with the public."

But the hard-nosed money-brokers of the television industry have little time for such musings. Following the principle of the 12th-century nominalist philosopher William of Ockham (who advised thinkers never to introduce extra elements into any explanation)

they dismiss the gay hypothesis in favour of more mundane explanations.

Half of the 2-million fall in viewers is said to have occurred since Barrymore's latest series began in January. But this coincides with an expected seasonal variation – January always has more viewers than March because it is the month with the darkest nights of the year and people stay in more because they are hard-up after Christmas. This year the effect was compounded by particularly cold weather. "High viewing figures are what you would expect, as it is a fall-off soon after," says Chris Boothby, broadcast director of BBC which buys television airtime for advertisers.

In the circumstances Barrymore has done rather well, says Ian Lewis, another buyer, of Zenith Media. In January his show was aired at 6pm where it pulled in 10 million viewers against the 8 million who watched *Jim Davidson's Generation Game* on BBC1 at the same time. ITV then moved Barrymore into a far more competitive slot against Noel Edmonds and the resulting drop in figures was to be expected. "No advertisers have contacted me to ask me to avoid the programme," Lewis says.

"The public's view seems to be that Barrymore's sexuality is his own concern," adds Edward Lloyd Barnes, of the TV airtime buyers IDK Media. His clients include Pizza Hut, BT and Express Newspapers – all pitched at the downmarket, older Barrymore audience. There has been no change in the type of products people want to advertise there and no price discounting which would be the sure index of falling interest. "He delivers a huge and valuable audience."

All of which is far less interesting than discovering convenient facts to support suppositions about the nation's continuing homophobia. But then money has no prejudices, in matters of sexuality at least. Which is more than can be said for some newspapers.



David is just 8 years old. And yet during his short life he has watched his Mum become wheelchair bound. Now he helps her with eating, washing and dressing.

There are thousands of children like David, learning to cope with the fact that for them, family life has to be different. The MS Society exists to offer practical and emotional support and fund vital research for families living with this devastating disease.

By giving a regular gift of just £3 a month, you can help us make sure we're always there.

**Become a Friend of The MS Society**

Your regular monthly gift will give us the income we urgently need to carry on supporting people with MS and their families.

Please send me information on how to join: ☐

Name

Address

Postcode

Please return your completed form to:  
The Multiple Sclerosis Society,  
FREEPOST (B54335), BRISTOL BS1 3YX.

Or telephone 0800 100 133

Registered Charity 207495

962317





## Latest OfTel price cap could slash phone bills by 27%

MARY FAGAN  
Industrial Correspondent

Telephone bills could fall by up to 27 per cent in real terms in the four years from 1997 under tough new pricing proposals by the watchdog, OfTel. Don Cruickshank, director general of OfTel, said yesterday that a typical household paying £20 per quarter now could be paying £15 less in the year 2001 for the same use of the telephone.

The proposals were attacked as "severe" and "disappointing" by BT, which had called for a much more lenient regime and an early end to all controls on international and trunk calls. The company has warned that a heavy continued cap on prices will hit investment in the industry and could result in the loss of thousands of jobs.

Mr Cruickshank said that his proposals, which are open to consultation, aim to squeeze up to £1.5bn in cumulative excess profit from BT's regulated business over the four years from 1997 to 2001.

The new cap will replace the present regime which limits price changes to inflation minus 7.5 percentage points. OfTel's plan is to set a cap for the future based on "RPI minus 5" and "RPI minus 9", and following the consultation, will decide the precise formula in July.

OfTel may consider ending the new cap in 1999 or focusing it on customers who most

need protection. But the preferred option is to keep the basic control in place for four years. It is expected that - with increasing competition - price controls for customers will end in 2001.

Yesterday's announcement also included the first price-capping formulae on BT's charges for rival companies which use its wires. At the same time the regulator is also demanding sweeping new anti-competitive powers over BT and will present these proposals to the company in a package with the price controls. Should BT fail to agree with Mr Cruickshank, the issue will be referred to the Monopolies and Mergers Commission.

BT said that in setting out the proposals, OfTel had been "extremely optimistic" in its assumptions on market growth and in the company's ability to cut costs, adding: "We find it hard to believe that some of the figures are achievable. OfTel's view of market growth will require a major change in consumer and business use of telephone lines in the UK."

Mr Cruickshank said that he is seeking real reductions in unit costs of 4.5 per cent per year while BT argues that it can do about half that, having already cut 100,000 jobs in recent years and gone through major structural change.

"BT must appreciate that what they have done so far is only for starters," Mr Cruick-

shank said. "We are looking at a 4.5 per cent real reduction in unit costs. That is a reasonably tough target - but that is where the telecommunications industry is going at this point in time."

BT also attacked as unacceptable OfTel's view that its rate of return should be about 12 to 13 per cent compared with the company's present figure of about 16 per cent overall and 20 per cent for the regulated businesses. John Butler, BT's director for regulatory affairs, said: "We are disappointed and the more we analyse the detail in OfTel's report the more disappointed I become."

BT's shares fell by 7.5p to 344.5p on the view that the proposals are tougher than had been expected. Some City analysts said that Mr Cruickshank's plans are "bad news for BT" but others said that they represent "steady as you go".

James Dodd, an analyst at Kleinwort Benson, said: "The industry may have been hoping for something more lenient but it seems to me that this is really quite gentle compared with some of OfTel's previous ideas. This is business as usual."

Shares in Cable & Wireless rose by 8p to 491p in spite of the knock-on effect on its Mercury Communications subsidiary of BT price cuts. Peter Howell-Davies, Mercury's chief executive, said: "Price controls are necessary but they should be focused on those areas where



Taking a tough line: OfTel chief Don Cruickshank wants to cut £1.5bn from BT profits

there is least choice for the consumer. The danger of carrying on with the existing 'blunt instrument' approach to price controls is that it will stifle the competition that already exists and limit consumer choice."

The Cable Communications Association said that OfTel should not underestimate the

success already achieved by new operators in delivering "the protection consumers need from monopoly pricing."

The National Consumer Council gave a cautious welcome. A spokeswoman said: "It is good that the regulator has not buckled under pressure from industry to lift the overall cap on

BT. How good it turns out for consumers depends on how BT juggles prices on individual services within the umbrella cap. The NCC wants to see local call charges come down sharply but fears that - as in the past - businesses and those making international calls will benefit most.

Comment, page 21

## CBI attacks Blair over late payment plan

PETER RODGERS  
Business Editor

A row broke out yesterday over Labour's plans for statutory payment of interest on overdue debts when Tony Blair was told by the Confederation of British Industry and the Chambers of Commerce that legislation would make the problem worse.

But Stan Mendham, chief executive of the Forum of Private Business, backed Mr Blair's proposal, calling it "courageous stuff," and adding that Mr Blair now had to fight the CBI and "no other government has ever overcome the CBI."

Tony Bonner, chairman of the CBI small and medium enterprises committee, said: "The Labour Party is out of step with business opinion. Most small firms oppose the measure."

Mr Bonner said larger customers would insist on more time to pay and suppliers to small businesses would have no hesitation in charging interest on debts owed by smaller customers. He rejected Mr Blair's proposal for a threshold below which the legislation would not apply.

But Labour's response to a Lloyds Bank survey last week found 75 per cent of small firms in favour of a statutory right to interest. Chris Greenall, head of policy at the Chambers of Commerce, said: "A statutory right to interest may hurt the very firms it is meant to help."

Ian Lang, President of the Board of Trade, made clear that

the Government was unlikely to legislate and said that most small firm representatives opposed the idea.

Confirming his policy in a speech to Labour's Industry Forum in the City, Mr Blair said that there would be a "new and different relationship between my party and the small business sector." As well as statutory interest, Labour would require large companies to publish their payment practices and would make government and state agencies settle bills in 30 days.

Mr Blair promised to beef up Business Links, the network of small business advice centres established by Michael Heseltine when President of the Board of Trade. Mr Blair also said he was thinking of making Business Links responsible for specialist financial advice to small firms. Labour claims to have suggested the concept of the one-stop shop in 1992.

## Market-maker labels Lawrence 'a loose cannon ready to explode'



JOHN EISENHAMMER  
Financial Editor

Michael Lawrence, the sacked chief executive of the Stock Exchange, was a loose cannon that threatened to explode at any moment causing immense damage, a leading City market-maker said yesterday.

Rejecting allegations by Mr Lawrence that he was ousted by a "classic coup" of market-makers fearing that proposed reforms to the way shares are traded would hit their business, Donald Brydon, deputy chief executive of BZW, said the truth was very different.

"Over a significant time many Exchange board members became edgy about aspects of Mr Lawrence's performance. There were many opportunities to gain the impression that at

any moment the opportunity existed for an explosion to occur over one incident or another," Mr Brydon told the Treasury Select Committee.

Giving evidence to the MP's moments later, John Kemp-Welch, the chairman of the Stock Exchange, rejected Mr Lawrence's accusation that he could have saved him by supporting him. "I find it a doubtful proposition. When put to the vote, not one member of the board voted in favour of Mr Lawrence," he said.

He also denounced Mr Lawrence's account of a market-makers' coup. "It is totally and absolutely untrue that two or three market-making firms brought about, or could have brought about, Mr Lawrence's dismissal. I can't stress this too strongly," Ian Salter, deputy chairman

of the Exchange, said it had become clear from early November of last year that Mr Brydon said the former chief executive's erratic behaviour was causing concern much earlier on. He said it was impossible to divorce

ShareLink, the execution-only share-dealing business, without consulting the board.

"When a chief executive does this you have to ask some questions about his behaviour," Mr Brydon said, adding: "It is very important that the chief ex-

change, he brought in excellent management. He was a very clever man, but he was generally regarded as unsafe."

Mr Kemp-Welch and Mr Brydon both said that Mr Lawrence's dismissal was not occasioned by concern among big firms at proposals for reforming the way shares are traded in London.

The proposals would have done away with the market-makers' domination of the quote-driven system and replacing it with an automated electronic system that matches buy and sell orders.

During the recent market consultation on the trading reforms BZW made clear its opposition, suggesting a no-change option.

Yesterday Mr Brydon appeared more effusive, and

said he supported change and that the Exchange's steering committee, of which he is a member, would unanimously recommend today the introduction of an order-matching system to London.

Both Mr Kemp-Welch and Mr Brydon dismissed parts of Mr Lawrence's account of events leading up to his dismissal as untrue.

"I find it difficult to reconcile with the reality of the months I lived through as a member of the board," Mr Brydon said.

Mr Kemp-Welch reiterated his argument that the reason for Mr Lawrence's dismissal was not a sudden knifing in the back by an unrepresentative cabal of powerful members of the Exchange, but the result of an erosion of confidence on the part

of the board over a period of time, and clearly related to his handling of a number of issues."

Questioned by Diane Abbott, Labour, about Mr Lawrence's account that he told Mr Brydon he could only go onto the steering committee on trading reforms if he first made a public statement of support for an electronic order-matching system, the BZW executive retorted: "That is categorically untrue. No such conversation took place."

Mr Brydon said that the "excellent consultation" of the market just carried out by the Exchange on the trading reform proposals was in stark contrast to practice under Mr Lawrence. "Consultation previously was anecdotal, selective and perceived by many to be self-serving," he said.

## South Quay bomb site set to become Chinese centre

DAVID PARSLEY  
and TOM STEVENSON

Plans to build a 300,000 sq ft Chinese trade centre in the bombed South Quay area of London's Docklands have emerged as one of the first attempts to rebuild after the devastation of last month's IRA attack that killed two people and caused millions of pounds' worth of damage.

Capital & Provident, the vehicle of wealthy tax exile Cyril Dennis and one of the leading Docklands property investors, is working on two deals that could transform almost a million square feet of offices at South Quay.

The idea for a Chinese trade centre has been a feature of proposals for the redevelopment of London's former docks ever since the London Docklands Development Corporation took

responsibility for the area in the early 1980s. An early plan to build a centre in the Royal Dock, to the east of the current development, was shelved about 10 years ago.

Now it appears that early negotiations are under way. Simon Mann, managing director of Capital & Provident, said the scheme was still in its very early stages but he confirmed that preliminary discussions had been held with the relevant Chinese authorities in London and the Department of Trade and Industry.

"This is one of the projects we are moving along with since the bomb and we have had fairly high level meetings with both the Chinese and British sides," he said.

Mandy Robinson, deputy director of the China-Britain Trade group, said she had spoken with the LDDC and was due to

meet with Mr Mann to discuss the trade centre. "As far as I understand, the centre will provide offices for Chinese and Hong Kong businesses who need a representation in Europe."

If the centre goes ahead it will mark a return to the area of a Chinese community which was once a thriving feature of London's docks.

Mr Dennis, who made £50m profit from selling his private property portfolio to Legal & General in March 1994, has also begun preliminary discussions with a consortium made up of the owners of buildings directly affected by the IRA bomb to transform almost 500,000 square feet of space in the area around South Quay station from offices to residential, retail and leisure use.

The plans are likely to involve the demolition of many of the bomb-affected offices.

## New York pension fund joins siege of tobacco

DAVID USBORNE  
New York  
and TOM STEVENSON

New York State has told managers of its giant pension fund not to make any further investment in tobacco stocks, compounding the sense of siege among America's leading cigarette manufacturers.

Usually the decision has been taken not on ethical grounds but in response to the perceived investment risk of the shares.

With a portfolio of \$74.5bn (£48bn), the New York pension fund is the second-largest in the US after California's. It has \$536m invested in Philip Morris, American Brands and other tobacco companies.

Part of the state's tobacco investment is in BAT shares, which although they closed 1p higher yesterday at 488p, have

tumbled 15 per cent since the beginning of March, wiping £2.6bn from the tobacco and insurance group's market value.

The decision, announced by New York's comptroller, Carl McCall, came on the heels of a week of misery for most tobacco companies, which have seen a near-vertical plunge in their share prices. Philip Morris and RJR Nabisco have slumped 16 per cent and 15 per cent respectively.

The turmoil follows the decision last week by the Liggett Group to settle in a high-profile class-action suit against tobacco manufacturers, claiming that they deliberately manipulated nicotine levels in cigarettes to turn smokers into addicts.

Attention is focused now on whether the slide in tobacco stocks is a short-term blip caused by a storm that will pass, or whether investors will

reassess the risk of buying the stocks and spurn them over the long term.

"I think there has been a fundamental shift because a whole lot of new information is coming to light about what the companies knew in the past about the addictiveness of nicotine," Graham Kelder, a lawyer with the Tobacco Products Liability Project at Northeastern University said yesterday. "This is looking bad for the industry, because it really looks as if you have got people who are willing to kill other people to make money."

Fund managers in London were yesterday taking a more sanguine view of tobacco stocks. One leading manager, who asked not to be named, said: "There are risks but you have to weigh up the price you are paying for that risk. To say never is a little dramatic."

## Language Courses

For details on studying a language and for a wide variety of language courses please turn to

See pages 18 - 19 section two

The courses section appears every Thursday in The Independent

For further information please call 0171 293 2298

Every Thursday in the THE INDEPENDENT section two

STOCK MARKETS									
FT-SE 100		Dow Jones		Nikkei		DAX		Hang Seng	
Index	Close	Index	Close	Index	Close	Index	Close	Index	Close
3750	3750	11000	11000	21000	21000	10000	10000	10000	10000
3750	3750	11000	11000	21000	21000	10000	10000	10000	10000

INTEREST RATES									
Short sterling		UK medium gilt		US long bond		Euro area		Japan	
Rate	Yield	Rate	Yield	Rate	Yield	Rate	Yield	Rate	Yield
5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

CURRENCIES									
£/\$		£/DM		£/¥		£/A\$		£/HK\$	
Rate	Change	Rate	Change	Rate	Change	Rate	Change	Rate	Change
1.50	0.01	1.50	0.01	1.50	0.01	1.50	0.01	1.50	0.01



# A harsh regime but BT is big enough to take it



**COMMENT**

BT's campaign for early full-scale deregulation was never a runner. But a more relaxed approach certainly seemed a possibility.

British Telecom surely never seriously expected Ofel to run up the white flag and abandon price regulation altogether when the present controls run out in July 1997. But it might realistically have hoped for a more enlightened approach than the one meted out by the industry watchdog yesterday. Even if competition in telecommunications were already sufficiently developed to make price regulation unnecessary, which it is not, the public is plainly not yet ready to see the bobby entirely removed from the beat. BT's campaign for early full-scale deregulation was never a runner. But a more relaxed approach, with a progressive phasing out of most forms of price control by the turn of the century? Certainly that seemed a possibility.

As it is, rigid price controls are to remain until 2001, and on the face of it, they are harsh ones too. The more BT studied the detail of Don Cruickshank's proposals yesterday, the more depressed it became about them. While the overall price cap of the rate of inflation minus 5 to 9 per cent does not seem significantly different from the one presently in force - RPI minus 7.5 - it is plainly not possible for BT to carry on cutting costs at the present rate indefinitely. During the period of the present price controls the BT workforce has shrunk by over 100,000 to 134,000. There's more to go but not much.

Furthermore, in setting the new price cap the regulator is making some heroic assumptions about growth. Phone usage is obviously going to grow dramatically over the next five

years but there are big differences about how much. BT's own forecast is that the average of call minutes per line will rise by only 2 minutes to 13 minutes. The regulator, by contrast, is assuming usage will rise by more than half to 17 minutes.

And there is worse. As foreshadowed in an earlier discussion document, in calculating the price cap, Mr Cruickshank has slashed the allowed rate of return on capital to a level of just 9.2 per cent, a 13.4 per cent, a level which BT and many of its competitors regard as wholly inadequate. What this means in human terms is that in order to raise the rate of return to a more acceptable level, BT is going to have to outperform the regulator's already optimistic assumptions on both volume and the scope for efficiency gains. If it underperforms on only one of these yardsticks, its rate of return will fall below even the regulator's prescribed level and there will be nothing BT can do about it.

Enough special pleading for BT, however. BT is always crying wolf and it is undoubtedly exaggerating the true position in the hope of winning concessions. Furthermore, BT is large and financially robust enough to take the pain if the regulator does prove to have been over-zealous. The real question is: are the others? If the price ceiling is too low, competitors will be discouraged from coming into the market. Even now, BT's competitors are not exactly in rude health. Since all competitors have to under-

cut BT to make inroads, too onerous a price control regime for BT is going to be doubly so for them. Paradoxically, therefore, the effect of the regulator's proposals might be to make BT even more dominant than it is now, by driving the competition out of the market place.

Efficiency gain and investment are also linked issues. You do not get efficiency gain without investment and if the return allowed on new investment is too low, then you don't get any new investment. The further the regulator drives down the allowed rate of return, therefore, the less likely he is to get the efficiencies from which lower prices are derived.

These are difficult issues to call, as Mr Cruickshank readily concedes in what on the whole is a well thought out and thoroughly researched consultation document. Telecommunications is a fast changing industry. Such are the wonders of new technology that there are virtually no capacity constraints. The network's ability to absorb ever higher volumes is almost limitless. In theory, then, there is scope for prices to fall very substantially regardless of what the regulator does. The 10p transatlantic telephone call, already a reality on the Internet, is possibly only years away. Mr Cruickshank may actually find his new price controls rendered wholly irrelevant by the force of the market alone. To happen under its own steam, this would admittedly require a really quite breathtaking increase in volume, but it is more than a possibility.

In this scenario, the business of providing carriage for telephone traffic becomes a wholly commodified and very low margin one. For the telecommunications company of the future, the chief source of revenue is not the traditional one of shunting voices around the globe, but in add-on, high-value services. To survive, BT is going to have to become much more of a service provider than a network operator.

## Broad money and flares back in fashion

Just as the catwalks have been displaying Jane Sevens' tranches such as flares and hipsters, so the latest trend in economic analysis harks back to those days of early monetarism. Broad money is back in fashion. The reason is that M4 has been the only one of the monthly indicators signalling against Mr Clarke's interest rate cuts. Its annual growth has been steadily increasing, even as actual inflation and manufacturing activity have slowed. No wonder it has caught the eye of City commentators.

One well known monetarist, Professor Tim Congdon of Lombard Street Research, has concluded that the surge in M4 growth since the start of 1994 looks rather like earlier episodes of monetary expansion in 1977 and 1986. With banks eager to carry on expanding their balance sheets, it will continue, he reckons. The result of several

years of rapid money growth will be inflation above 5 per cent by 1999 and perhaps as high as 10 per cent.

The Clarke case against this monetarist revival has several strands. The new gilts repo market clearly distorted M4 upwards in January and will make the monthly figures more erratic. In addition, there has been rapid growth in the deposits and borrowings of companies and financial institutions, which is likely to be related to higher takeover activity. This does not have any immediate or direct implications for the pace of economic activity and inflation, although it might eventually. Finally, the Chancellor thinks there is no evidence yet that growth in personal sector deposits prefigures faster consumer spending.

This combination of special factors and not looking too far ahead allowed Mr Clarke to conclude in his February meeting with the Governor of the Bank of England that "it was not clear that M4 growth posed an inflationary risk at the moment".

The danger is that by the time it is clear, it will be too late to do anything about it. But Mr Clarke does not have to join the fashion groups in the City to admit that with M4 racing ahead and signs of consumer spending turning positive, there is little case for the further reduction in base rates many analysts expect after the May local elections. The chances of him doing so are none the less remote.

# Dobson replaces Craven on Deutsche board

JOHN EISENHAMMER  
and JOHN WILLCOCK

Michael Dobson, chief executive of Deutsche Morgan Grenfell, is to replace John Craven on Deutsche Bank's main group board next week.

The surprise announcement is expected to be confirmed when Deutsche reveals its results next Thursday. Sources denied speculation that Mr Craven, who is only 55, and the architect of the deal between Morgan Grenfell and Deutsche Bank, was being pushed out.

It is said he asked for the move himself, to be able to devote more time to clients as a senior corporate financier.

The reshuffle surprised observers, however. One former insider said: "Craven is held in very high regard by the Germans. He has achieved everything there is to achieve in investment banking. I can only guess that he decided to get out on the crest of a wave."

The promotion caps the meteoric rise of Mr Dobson, who is 42 and was only made chief executive of Deutsche Morgan Grenfell in October 1994 when the German bank announced its

plan to base its global investment banking operations in London.

Another observer commented: "It makes sense. Dobson is a real matrioska figure. He's got a real presence about him. Craven was great for sorting out Morgan after the Blue Arrow fiasco, but now they need someone to pull a much younger group of people together."

"For instance, they've got a big new securities dealing room on Houndsditch and the flotation mandate from Halifax Building Society. They need to build an equity sales and trading operation fast, and Dobson looks like the man for the job."

Mr Dobson has spearheaded the integration of the operations, and the rapid expansion of Deutsche Morgan Grenfell, which has set itself the target of becoming one of the world's leading investment banking houses by the end of the decade.

John Craven will remain the chairman of Morgan Grenfell Group, the legal entity in London of the merchant banking division that has now been fully integrated into the Deutsche group.

Deutsche's decision to turn its back on Frankfurt in favour of the City as the hub of its investment banking ambitions was a watershed. Since then, several Continental banks have focused their investment banking attention on London, either building up existing small operations here or making big acquisitions. Dresdner Bank, Deutsche's main rival, bought Kleinwort Benson soon afterwards.

Since the decision to build its investment banking operation around Morgan Grenfell, Deutsche has been one of the most aggressive hirers in the City. Some 185 people have been hired since the beginning of 1995, over half in London.

For example, Deutsche Morgan Grenfell has just poached John Winter, formerly managing director of capital markets at Merrill Lynch in Frankfurt. Mr Winter starts in a fortnight as Deutsche's head of debt capital markets in London.

DMG, as the combined operation is named, has embarked on the next stage of its expansion, focusing on building up a full equity trading, research and sales capacity in London.



Time of change: John Craven (left) who will move off the main board, and his replacement, Michael Dobson

## Flextech sacrifices profits for expansion

MATHEW HORSMAN  
Media Editor

Flextech, the high-flying cable and satellite programme packager, is unlikely to make operating profits in the medium term, its chief executive, Roger Luard, said yesterday.

"We will continue to expand and to seek value for our shareholders," he said. "If we wanted to, we could be profitable within 12 months with our current operations, but we choose to continue to expand."

The company, which owns or manages cable and satellite channels such as Discovery, Playboy and Bravo and has a 30 per cent stake in Scottish TV, yesterday unveiled its latest acquisitions, including the buyout of the 61 per cent of the Family Channel it did not already own - along with associated studio facilities - for a combined price of £30.5m, payable in shares and £3m cash.

The company, owned 50.1 per cent by Tele-Communications International, a subsidiary of the US cable giant TCI, is also buying a controlling interest in the "infomercial" business of the Home Shopping Network, which will give the UK company a share of joint venture operations in Asia, France, Spain and Brazil.

The news came as Flextech unveiled profits after exceptional items of £16.4m, compared with a loss last time of £18.5m. The figures were swelled by a one-off gain of £33.2m after the sale of the cable franchises held by the company's TVS Cable Holdings. Stripping out the sale, operating losses were £18.8m.

The company intends to expand further in 1996. Mr Luard said, pointing to the planned launch of the Sega channel in mid-1996. The channel, which will allow unlimited use of 16-bit Sega games for about £10 a month, is expected to cost £1m to set up and be profitable in its second year, Mr Luard said. At least 25 games are expected to be available each month.

Purchase of the remaining stake in the Family Channel would be followed by consolidation of the company's other programming stakes "as and when possible." Flextech is a partner with the BBC and Pearson, the media and leisure company, in UK Gold, a popular pay-TV channel.

# Refreshing signs of growth for Clarke

DIANE COYLE  
Economics Editor

A gratifying picture for the Chancellor of the economy picking up - but not so fast that it will prevent a further cut in the cost of borrowing - emerged from new figures yesterday.

Retail sales rebounded last month from their January dip, mortgage lending edged ahead and other borrowing was buoyant, while consumer confidence this month has risen slightly, according to the EU's monthly survey. However, confirming the weakness of manufacturing in contrast to the strengthening consumer sector, a survey of the engineering industry revealed that its output in the latest three months grew at the slowest rate for two years.

The further signs of booming borrowing and rapid broad money growth prompted some economists to worry about rising inflation later this year. "The long-term outlook for inflation is becoming a little less comfortable," said Martin Brooks at Goldman Sachs. But minutes of the February meeting between Chancellor Kenneth Clarke and Eddie George, Governor of the Bank of England, showed them

downplaying the inflationary risk posed by monetary growth.

Many City analysts firmly expect Mr Clarke to opt for a fourth cut in base rates - perhaps in May, when the monetary meeting takes place five days after the local elections. "The new figures definitely do not stand in the way of a reduction," said Paul Mortimer-Lee at Paribas.

The volume of retail sales jumped 0.6 per cent in February, reversing a drop the previous month. A surge in sales of household goods during the

month and higher food sales accounted for the increase, which took the year-on-year growth in sales volumes down slightly to 1.9 per cent. Underlying growth has been strongest in clothing and footwear.

Sales growth has been around 2 per cent for the past three months but the level remains scarcely any higher than it was in November. This is weaker than survey and anecdotal evidence have suggested. "Sales performance is patchy and erratic," said Ian Shepherdson at HSBC Markets.

Separate figures showed that the pattern of gentle recovery in the housing market continued with a slight increase in total high street bank and building society mortgage lending to £1.41bn in February from £1.41bn in January. Building societies lost some market share to banks. Peter Williams, head of research at the Building Societies Association, said: "Taken overall, indicators continue to suggest that a modest housing market recovery is now under way."

Building society loans dipped to £792m from £832m in Janu-

ary, but bank mortgages climbed to £631m from £578m.

The British Bankers' Association said other lending was buoyant, with the monthly rise of £3.4bn well ahead of the recent average. Non-mortgage lending to individuals was £333m, similar to the previous month. Lending to manufacturing was more than £100m higher at £278m. Analysts said lending for takeover activity played a part in explaining the strength of corporate borrowing.

Total lending included in M4 was £7.3bn, down from £9.8bn in January but still swollen by the effects of lending and borrowing in the new gilts repo market. Both banks and building societies reported inflows of deposits almost as high as a year earlier, suggesting that January's Tessa outflow eased last month. Broad money growth declined from 10.7 per cent to a slightly more comfortable 9.9 per cent.

The weak note yesterday was sounded by the Engineering Employers Federation's quarterly survey. Output and new orders grew but at the slowest pace for two years. The director-general, Graham Mackenzie, said: "The recovery in engineering is poised on a knife-edge."

## Associate rules may be tightened

ROGER TRAPP

Companies will have to demonstrate significant management influence over associates if they want to consolidate their results, if proposals published by the Accounting Standards Board today come into operation.

The plans - which also include suggestions for tightening up the treatment of joint ventures - are designed to be a response to what Sir David Tweedie, ASB chairman, describes as "an increasing - and an increasingly complex - element of modern business life".

The proposals were welcomed by Gerry Acher, head of audit and accounting at KPMG and chairman of the Institute of Chartered Accountants' audit faculty, as "a move in the right direction". He added: "The definition of an associated company is one that has been abused in the past, and I am pleased that the ASB has sought to clarify the position."

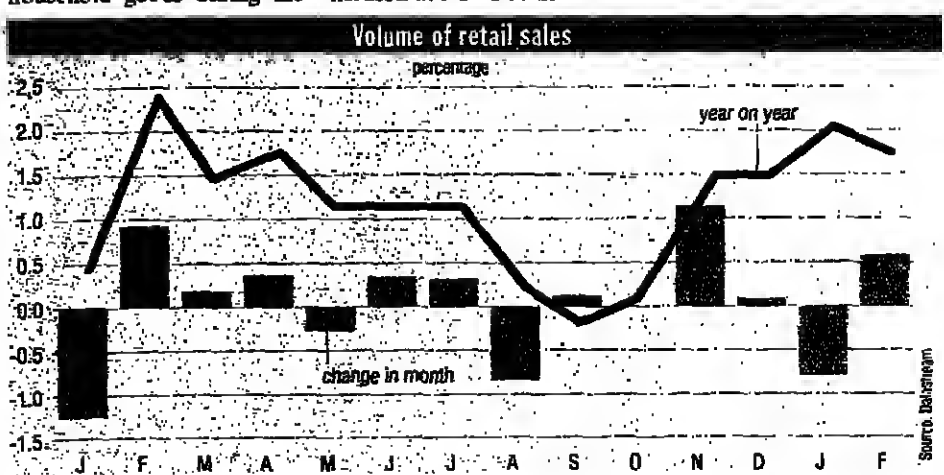
For influence to be regarded as influential the investor company would have to participate in key policy decisions, such as

those concerning strategy, and the recipient would have to implement policies consistent with the strategy of the investor and avoid those that were contrary to the investor's interests.

These requirements are designed to avoid situations like the one that occurred several years ago, during United Newspapers' bid for Fleet Holdings. Because United had built up a stake in its prey ahead of the bid it was able to include a share of Fleet's profits in results designed to show its financial strength - even though it was hardly likely to be able to exert the influence required for associate company status.

The ASB is also keen to encourage certainty - trying to ensure that companies do not change the treatment of such stakes from associate to trade investment when the profits in the investee company turn to losses, as the Asda supermarket group did with its MFI interest in the early 1990s.

The paper also moves on from previous rules by suggesting a new definition of joint ventures.



# Lloyd's nears £200m loan deal

JOHN EISENHAMMER  
Financial Editor

Lloyd's of London is nearing a deal with bankers on raising a £200m loan to increase the settlement pot for hard-hit names. The insurance society has also reached agreement in principle with the market's brokers over their £100m additional contribution to the fund, increasing the chances of achieving a global settlement by the summer.

Names' leaders are increasingly confident that Lloyd's will find up to £500m on top of the £2.8bn fund it has earmarked to buy-off litigation and help with the cost of re-insuring all old liabilities into a new company, Equitas. The Names Committee, advising Lloyd's, said a further £500m was needed to reduce the cost for the hardest

hit, who tend to be the strongest litigants, and whose support is essential for the recovery plan to succeed. Another £500m in the settlement pot would halve the maximum Equitas bill of £100,000 currently facing some nine thousand names.

The loan is not believed to be as great as Lloyd's had initially hoped, because the society no longer has large security to offer the banks. It recently sold the Lloyd's building to a German property company, Lloyd's lead UK banker is NatWest Group, along with Citibank in the US.

Senior sources at Lloyd's said that an "agreement in principle" has already been reached with brokers over a £100m contribution. The brokers' representatives are now faced with the complex task of dividing up the

burden of the payment between their members, who range from large international houses to small brokers completely dependent on the society.

However, Anthony Howland-Jackson, who has been leading the negotiations for the Lloyd's Insurance Brokers Committee, said that talk of an agreement is premature. "The talks are at an advanced stage," he said, adding "there is considerable goodwill in the broking community to creating a healthy market in the future".

The focus has now switched to managing and members' obligations, with names lobbying hard to have their £200m contribution significantly increased. "This is one issue that unites all names, and there is not the slightest possibility of names accepting the global settlement if

the agents do not contribute more," said Michael Deeny, a moderate action group leader.

Names are looking for an overall agents' contribution of between £350 and £400m, out of their profit commission for the years 1993 to 1995 estimated to be worth £600m. Another action group leader, Christopher Messer, has written to David Rowland, Lloyd's chairman, threatening to call an EGM to force through a higher contribution. "This is not a route any of us want to go, we would rather agents recognise their obligations," said Mr Deeny.

Talks with the E&O underwriters, who insure the businesses of professionals inside the Lloyd's market, have now been concluded. Earmarked for £800m, this ends some of the uncertainty in the rescue plan.

## Win a Health Spa break

Hoar Cross Hall, the premier Health Spa resort in a Stately Home, are offering Independent readers the chance to win a £1200 break at this Grade II listed building, ideally situated near Lichfield, Staffordshire.



HOAR CROSS HALL  
The Premier Health Spa Resort in a Stately Home

Our winner and their partner will enjoy six nights in a superior bedroom with all meals included plus full use of the health hydro facilities and a total of 14 complimentary treatments.

For information on Hoar Cross Hall Tel: 01283 575 671 To win this refreshing break call the number below and answer two simple questions.

0891 252 859

Calls cost 39p/min (cheap 13p, 49p/min at all other times). Winner picked at random after lunch close 31st March 96. Official Newspaper Publishing rules apply. Editor's decision is final.



THE INVESTMENT COLUMN  
Edited by TOM STEVENSON

# Renaissance at General Cable boosts Wassall

Wassall might at last be emerging from the shadow of its unfashionable conglomerate tag. The shares have barely outperformed the rest of the market over the past two years, but yesterday's 10p rise to 287p suggests that sentiment is now on the mend.

That optimism reflected the announcement of underlying profits before exceptional 42 per cent ahead at £50.7m for the year to December. More revealing, given the kicker provided by a first full-year contribution from General Cable, which was acquired for £177m in the middle of 1994, was the 30 per cent uplift in earnings per share to 17.4p. That brings compound growth in earnings over the past five years to an impressive 21 per cent.

## Mixed fortunes at Harrisons

There is so much going on at Harrisons & Crossfield, the building supplies and chemicals group, that it is difficult to make sense of the company's figures.

The group is undergoing a metamorphosis under chief executive Bill Turcan, who is doing his best to put an end to a disappointing period in which the company has slipped on several banana skins. Past problems have included pigs, animal feeds, dog food and chemicals. Almost every division, in fact.

More change is to follow. Mr Turcan has already offloaded the forestry products business. Yesterday he announced plans to sell or float off the plantations division which produces palm oil. This will sever the company's last links with its trading past dating back to the nineteenth century. The plan is to concentrate on two main divisions: chemicals and building products.

Acquisitions are expected, although the company has nothing in its sights.

That leaves the pet food and animal feeds divisions in limbo and hints at eventual merger when the company is stripped down to two divisions with nothing in common. Mr Turcan would not say as much yesterday but he confirmed that management was not frightened to change the structure of the company.

In its current form, the company has turned in a mixed performance. Profits last year were down from £236m in 1994 to £124m last year, although the 1994 figure was boosted by £130m of disposals. Operating profits, the more meaningful figure, were 20 per cent higher at £130m. Of the divisions, the chemicals business in-

creased profits by 26 per cent to £50m boosted by higher output and increased productivity. Palm oil doubled profits due to higher prices but will fall this year as the price subsides.

The problem area was timber and building supplies, where profits slumped by a third. Harcross started the year well but then slid downhill in a difficult market. The outlook here is grim, with the UK business in particular reliant on a pick-up in the housing market.

After the slump in the shares two years ago, there has been some recovery this year but the future remains clouded until the new structure emerges. Panmure Gordon has downgraded its profit forecast to £131m this year. With the shares down 4p to 167p yesterday they are on a forward rating of 15. With so many uncertainties, they are no more than a hold.

## Beazer ruffles City feathers

Beazer's half-year figures to the end of December confirmed one thing – the housing market in the second half of 1995 was unremittingly awful. Beyond that, however, the former Hanson subsidiary's presentation produced more questions than answers.

Turnover slumped during the six-month period from £204.5m to £158.2m, a deliberate policy, the company said, of not chasing unprofitable sales. As a result pre-tax profits also slipped, from £24.5m to £18.5m, earnings per share fell to 4.6p (6.2p), still comfortably covering a full-year dividend of 3p (1.95p).

Maintaining an operating margin of 11.2 per cent was something of an achievement against a backdrop of volumes falling almost twice as fast as the market as a whole. Total completions reached 2,570 compared with 3,201 in the previous first half-year.

In fact doing so while the cost of the land under each house increased by £600, incentives rose by £500 and house prices were flat, was greeted with raised eyebrows by analysts who found it difficult to make the numbers add up.

Beazer claimed yesterday that it was in no need of a big acquisition to make up for its failure to pick up Ideal Homes, the Trafalgar House subsidiary for which it was piped at the post by Persimmon.

But the bitterness it expressed at being shut out of that deal suggests that it feels uneasy about generating growth organically.

Despite ruffled feathers in the City yesterday, Beazer's shares actually edged up 2p to 175p, at which level, on the basis of forecast profits this year of £45m and £50.5m next, the shares stand on a prospective price/earnings ratio for calendar 1997 of 13.8.

That compares with a sector average of 13.4 and just 11 times earnings for Barratt in the same period.

Beazer has a strong balance sheet with net cash of £29m and it pointed yesterday to better demand in the second half of its year as the Government cranks up the pre-election feel-good factor.

Even so, with the uncertainty of its acquisition ambitions, the shares are high enough.

## John Willcock CITY DIARY

# Miller kept out of Rudd knees-up

Nigel Rudd, chairman of Williams Holdings and a clutch of other companies, is celebrating his 50th birthday with a golfing party at the famous Belfry golf course in Sutton Coldfield. "Only close personal friends have been invited," a source said.

One person who sadly will miss the shindig is Chris Miller, chief executive of Wassall, another mini-conglomerate. Yesterday Mr Miller unveiled Wassall's sparkling full-year profits but admitted that an impending operation on a knee ligament prevented him from accepting the invite.

Mr Miller is still trying to get into Sunningdale, another famous club, although he feared that his handicap of 17 was too high. Something like 15 would be fine, he said.



Old-timers' shindig: Nigel Rudd will celebrate his 50th birthday in swinging style

DTZ Debenham Thorpe just missed its appointment with destiny yesterday lunchtime. Rob Andrew, a former investment director with the property agents and ex-kicker for the England rugby team, failed by a big margin to beat the world place kick record. The attempt in London's Regents Park raised several thousand pounds for the property industry's charity for the homeless, Land Aid, and launched the first ever Property Awards.

But Rob, or "Mr Golden Boots" as he was known, managed only 56.2m, against the world record of 91m. According to the Guinness Book of Records Douglas Francis Theodore Markel:

What is the connection between Roy Orbison, Fulham Football Club and the Midlands? The answer of course is Dennis Turner, head of Midlands' business economic unit. Dennis is normally to be found touring the country and lecturing businessmen on the need for a stronger British manufacturing sector. He has, however, found time to write four books on Fulham, including the club's official history.

He is also a regular writer of sleeve notes for a friend's record company which releases collections by golden nudes such as Roy Orbison, Van Morrison, Waylon Jennings and Joe Cocker. "I recently did 5,000 words for a box set of Ray Charles CDs. Fantastic," Dennis said yesterday. A welcome break from Midlands metalbashing, no doubt.

kicked this distance for South Africa in 1906. According to one witness, Rob "raised a serious eyebrow when told this – it's almost the entire length of the pitch".

Tony Blair is working hard to improve relations between the Labour Party and small businesses in the wake of the Government's cack-handed treatment of the late payment row. Yesterday he spoke at a City meeting titled "Labour and the SMEs (small and medium enterprise) and the growth agenda".

Hundreds attended, but most were either from Quango or academia. "Only a handful of small businessmen were there," admitted one person on the platform.

The Conservative Party is putting out a Party Political

Broadcast today, the filming of which has been "shamolic", according to internal sources. The idea dreamt up by M&C Saatchi was for scenes depicting scenes of prosperity, with a voice-over along the lines of: "You'd have thought this was Sweden. In fact it's Britain under the Tories." They wanted a shot of somebody in the City so they approached John Godfrey, head of corporate communications at Lehman Brothers, for permission to use the Broadgate head office. Mr Godfrey, who is also a potential Tory candidate, had to turn them down. He explained: "We don't as a firm mix it in politics in any direction. This is nothing to do with my politics." All the same, it's unlikely to endear him to a selection committee.

# Trinity shrugs off newsprint costs

MATHEW HORSMAN  
Media Editor

Trinity Holdings, the fast-growing regional newspaper group that publishes the *Liverpool Echo*, yesterday shrugged off high newsprint prices and sluggish consumer confidence to unveil record pre-tax profits of £27.5m, 20 per cent ahead year-on-year.

Turnover was up 2 per cent to £167.9m, reflecting conditions in the highly competitive regional market.

The Chester-based company, which last year bought the regional newspapers of Thomson Corporation for £286m, is now the market leader, and expects to add to its holdings as the consolidation of the sector continues.

Analysts expect further contraction of the industry, with some titles closing and many more changing hands. Late last year, Reed Elsevier, the Anglo-Dutch media giant, sold its chain of regional newspapers to a management buyout team.

Commenting on the results, Philip Graf, Trinity's chief executive, said: "The delivery of record profits has been a fine achievement, particularly when faced with the rapid escalation in newsprint prices".

The UK newspaper industry has been rocked by increases of up to 40 per cent in the past 18 months, due to tight supplies and rising demand in emerging markets, particularly Asia. Trinity's newspaper bill rose by 25 per cent in the year. However, a cost-cutting exercise and tight controls combined to push operating margins in the UK to 19.8 per cent from 18.8 per cent, partly offsetting the rise.

Advertising markets were weaker in the second half, with volumes particularly low following the Budget in November.

Mr Graf said that the end of the newspaper price war had allowed the company to increase cover prices without suffering circulation losses.

The smaller North American operations had mixed results.

• Britannic Assurance, which earlier this year decided to quit motor insurance, is to move into health insurance. Announcing operating profits up 7.1 per cent to £50.6m for 1995, the group said it intended to introduce critical illness insurance later this year. It said discussions were continuing with the Department of Trade and Industry about the ownership of so-called "orphan" assets – surpluses built up in its long-term life funds. Reported profits, including capital gains and losses required to be declared under new European Union rules, leapt from £35.5m to £63.8m. A final dividend of 10.8p raises the total 10 per cent to 15.4p.

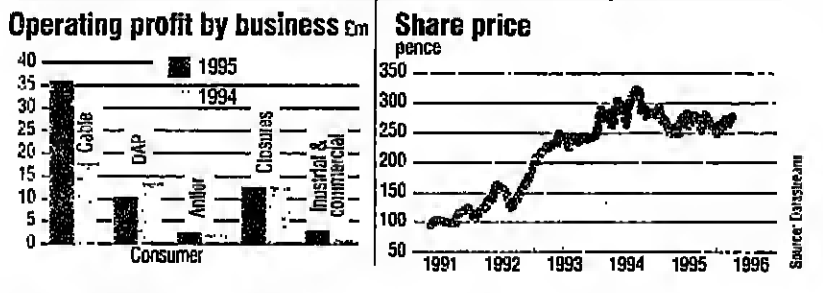
• Kwik-Fit said it was looking to extend direct marketing opportunities with customers on the back of the Kwik-Fit Insurance Services telephone marketing operation it launched last year. The group also announced plans to raise its 100-strong fleet of mobile tyre-fitting vehicles to 250 and extend the service from fleet operators to certain parts of the private motoring market. Pre-tax profits jumped 24 per cent to £36.3m in the year 10 February, on sales 23 per cent ahead to £365m. The dividend rises 14 per cent to 5p, after a final of 3.1p.

COMPANY RESULTS				
	Turnover £	Pre-tax £	EPS	Dividend
Wassall Group (F)	200m (187m)	35.6m (30.3m)	10p (15.7p)	10.5p (10.35p)
Britannic Assurance (F)	- (F)	63.8m (35.5m)	25.17p (10.32p)	15.4p (14p)
Dunelm Mill (F)	87.8m (96.4m)	31.1m (23.1m)	17.4p (16.4p)	7.7p (7.95p)
Express Haulage (F)	835m (669m)	13.8m (13.5m)	28.8p (34.2p)	16.5p (19p)
Flintch (F)	34.9m (23.2m)	16.4m (18.5m)	6.32p (4.13p)	10p (8p)
Kwik-Fit (F)	365m (290m)	36.3m (23.3m)	14.7p (11.5p)	5p (4.4p)
Bernard Matthews (F)	302m (284m)	18.7m (16.6m)	10.45p (10.32p)	3.38p (3.14p)
Newsweek (F)	278m (276m)	17.1m (20.2m)	8.48p (10.65p)	6.8p (6.75p)
Waste Group (F)	312m (324m)	20.5m (23.1m)	14.7p (21p)	5.65p (5.25p)
Wdr Group (F)	822m (476m)	45.5m (30.5m)	18.5p (13p)	7.5p (6.56p)

(F) - Final (F) - Interim (F) - Nine months

## Wassall - at a glance

	1991	1992	1993	1994	1995
Five-Year record					
Turnover (£m)	165	251	278	639	973
Pre-tax profits (£m)	10.3	17.8	27.6	21.9	57.5
Earnings per share (pence)	8.0	9.2	11.4	8.3	19.5
Dividends per share (pence)	1.82	2.39	3.3	4.1	5.5



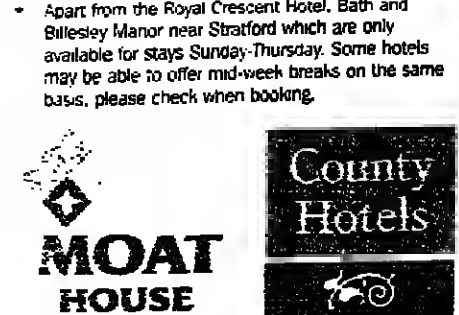
# Weekend breaks with THE INDEPENDENT

We would like to invite you to take a weekend break and stay two nights for the price of one. In conjunction with Queens Moat Houses Hotels, our offer allows you to pay for one night's bed and breakfast and get the next night, including breakfast, free. Rates are based on two adults sharing a twin or double room and the only stipulation is that your weekend break must include a Saturday.

You can choose from 82 hotels located throughout the UK, ranging from country houses and cosy inns, to modern hotels in the heart of city centres. All are three or four star properties and many will allow you to enjoy a longer stay on the same basis, pay for two nights and stay for four, for example. You can check this when making your booking.

To add to our offer, children under sixteen can stay free when sharing a room with two adults, plus children under six can breakfast free. For those of you who are feeling energetic, many of the hotels offer a Body Club or Club Motivation Health and Fitness Centre which you are free to use.

Pictured here is the Rose & Crown Hotel in Salisbury, Wiltshire. This traditional coaching inn dates back to the 13th Century and overlooks the River Avon and the Salisbury Cathedral. The Hotel's Conservatory Restaurant offers an extensive menu and wine list. A double room for two people for two nights costs just £110.



- TERMS AND CONDITIONS**
- The offer is valid until 5 May 1996. Some hotels will extend the offer until 26 May 1996, please check when making your booking.
  - This offer is only valid based upon two people sharing a twin/double bedroom for a minimum of two consecutive nights accommodation including full national breakfast.
  - All reservations are subject to availability and allocation of suitable bedrooms being available.
  - Children under six years of age when sharing a room with two adults will stay and eat free for bed and national breakfast only.
  - Children aged six to fifteen years when sharing a room with two adults will stay free and be charged £4 for national breakfast per child per day.
  - Children accommodated in their own room will be charged the same independent rate as adults. No further discounts are applicable.
  - Full payment, including extras, is to be settled prior to departure from your selected hotel.
  - The offer is only valid when you book through QUEENS-LINE UK Reservations, 0645 113311, quoting "Independent Offer" at the time of booking. Lines are open 8 am - 6.30 pm weekdays, 9 am - 4.30 pm at weekends and Bank Holidays.
  - Cancellations are to be notified to QUEENS-LINE UK Reservations as soon as possible and are accepted up to 4 pm on the proposed day of arrival.
  - This offer cannot be used in conjunction with any other offer, or promotion and is not valid for special events, theatre breaks, half-board arrangements, luxury weekends or weekaway programmes.
  - Offers only apply if the hotel is managed by a company in the Queens Moat Houses Group at the time a reservation is made.
  - Photocopies of tokens and the vouchers are unacceptable.
  - The weekend break prices are each worth up to a maximum of £364 and must be taken before 31 August 1996, subject to availability.

**HOW TO QUALIFY**  
To qualify for your 2 for 1 weekend break, you must collect four differently numbered tokens from the seven we are printing until Saturday 23 March. You will need to attach them to the voucher which we printed in yesterday's Independent. Token 5 is printed today; Token 6 will be printed tomorrow.

**HOW TO BOOK**  
For a Town & Country Classic Weekend Break brochure call 0541 543 500 quoting "Independent Offer". Once you have chosen your hotel call QUEENS-LINE UK Reservations on 0645 113311, quoting "Independent Offer". Your confirmation will then be sent out within 48 hours. Please remember to take your voucher and four differently numbered tokens to your hotel, they must be presented on arrival.

**£7,000 OF WEEKEND BREAKS TO BE WON**  
Today we are giving away four weekend breaks. Each prize entitles two people to a two night bed and breakfast weekend break at the hotel of their choice. For a chance to win one of our prizes, simply call the following number: 0891 252 999.

You will be asked to answer one simple question and leave your name, address and telephone number. Calls cost 39p per minute cheap rate, 49p per minute at all other times. Four winners will be picked at random from all correct entrants after lines close at midnight tonight. Normal Newspaper Publishing plc rules apply. The Editor's decision is final.





# market report/shares

## DATA BANK

FT-SE 100  
3685.4 +7.6  
FT-SE 250  
4282.2 +8  
FT-SE 350  
1854.2 +2.2  
SEAQ VOLUME  
703.1m shares  
35,358 bargains  
Gilt Index  
92.45 +0.36

## SHARE SPOTLIGHT



## Glaxo Wellcome casts an eye over the biotech babes

Glaxo Wellcome, the drugs giant with a £28.3bn capitalisation, could be thinking of descending on some of the high flying bio babes.

That was the stock market gossip as Glaxo shares continued to suffer from the admission it needs more deals to maintain its drugs momentum. Earlier this month, when producing bumper results, the group demonstrated just how much it needed last year's £9bn Wellcome acquisition. With its lucrative ulcer drug, Zantac, coming under intense pressure and the Retrovir Aids treatment attracting mounting criticism, the need for more drugs is becoming increasingly pressing.

It was the market's appreciation of this which encouraged speculation it could mount a bid for Zeneca. But the Zeneca story has faded; its shares fell 15p to 1.34p and look set to drift below 1.30p.

Ticked away among the bio babes are some significant treatments whose progress would be accelerated by Glaxo's undoubted muscle.

It is thought to be on the verge of announcing a tie-up with M.L. Laboratories, involving its Aids and cancer treatments. But the suspicion is growing Glaxo may not be content with a trading partner; it could attempt to swallow M.L., one of the oldest and certainly one of the more lusty of the new wave of bio companies.

It arrived on the now defunct Third Market nine years ago and has enjoyed a number of successes including kidney and asthma treatments.

The group, controlled by Kevin Leech, would not come cheaply. With its shares 16.5p higher at 420p it is valued at more than £600m.

Another to attract Glaxo, off 3p at 80p, is British Biotech; at 2.295p worth £1.3bn.



## MARKET REPORT

### DEREK PAIN

Stock market reporter of the year

The rest of the market had another lacklustre session with the FT-SE 100 index off 7.6 points at 3,685.4; the supporting index, measuring 250 shares, stretched to a new peak, up 8 points at 4,282.2.

The report, in the *Independent*, that Bass had squeezed out Whitbread and was in talks to buy the Carlsberg Teltel brewing group, came as welcome relief to Allied Domecq.

The shares have been under pressure on profit and dividend worries. But the prospects of a deal over C.T. where Allied has a half share, lifted the shares 6p to 497p.

Bass, with Goldman Sachs saying buy, gained 6p to 749p.

Whitbread fell 9p to 693p. Regent Inns, seen as a takeover target for one of the big brewers, jumped 31p to a 99.5p peak.

Guinness, figures today, rose 9p to 472p. Grand Metropolitan shed 10p to 129p with NatWest Securities cutting its forecasts. The investment house is thought to be suggesting a loss for the year ending this month and cut the following year's forecast from £25m to £18.7m.

United Energy firmed 2p to 15p as it confirmed a £1.34m settlement of its US legal claim, worth 3.5p a share. Gearing is reduced from 76 per cent to below 50 per cent.

Ranaco, one of the oil groups with interests in the former Soviet Union, was up 53p at one time, settling for a 20p gain to 56p. Suggestions it was interested in a new pipeline, later denied, sparked the surge.

£800m, gained 4p to 638p.

Austin Reed, the clothing retailer, moved ahead 15p to 233p as Moss Bros, unchanged at 705p, joined the list of rumoured bidders.

Babcock International, the engineer, dropped 10p to 129p with NatWest Securities cutting its forecasts. The investment house is thought to be suggesting a loss for the year ending this month and cut the following year's forecast from £25m to £18.7m.

United Energy firmed 2p to 15p as it confirmed a £1.34m settlement of its US legal claim, worth 3.5p a share. Gearing is reduced from 76 per cent to below 50 per cent.

Ranaco, one of the oil groups with interests in the former Soviet Union, was up 53p at one time, settling for a 20p gain to 56p. Suggestions it was interested in a new pipeline, later denied, sparked the surge.

On Demand Information

sprinted 21p to 213p on a deal with Neiscape but Telepec crashed 117p to 693p as figures came in well below expectations.

MAID, another information group, improved 330p to 226p. It has 15 per cent of Easynet which starts trading on AIM tomorrow.

Symonds Engineering, suspended at 61p, is paying £11.2m for a printing board maker.

Ingham, facing a reverse takeover from recovery specialists Knox D'Arcy, was suspended at 35p.

Torex returned from a 31p suspension at 40p. Trading in the pilot hire group was halted for the £4.8m take over of an electronic point-of-sale specialist.

Carlisle, a property shell run by the ubiquitous Nigel Wray, added 2.5p to 21p on whispering of a long suspected reverse takeover is near.

## TAKING STOCK

Hotspur, the investment trust where a revamp is underway, has attracted the attention of David Williams, head of Mosaic Investments.

His family company, Ringwood Investments, has agreed to take a 1.2 per cent stake at 600p a share. Hotspur shares were unchanged at 688p.

Friendly Hotels held at 146p. There has been small, but persistent interest with rumours of US developments. Friendly is run by the veteran hotelier Henry Edwards - and is the third quoted hotel operation he has developed.

Fulmar, a high tech commercial printer, is likely to make a strong start to quoted life today. The shares were placed at 154p, raising £12.3m a premium of up to 30p is expected in first time dealing.

## Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items. Other details: V = Extraordinary dividend; D = Dividend; Ex = Excluded from the index; S = Suspended; P = Partly Paid; on All Paid Shares.

## The Independent Index

The index allows you to access real-time share prices by phone from Seaq Simply call 0891 333 333, followed by the 4-digit code listed next to each share to access the latest financial reports (at 0891 333 333) followed by one of the two-digit codes below.

FT-SE 100 - Real-time	00	Starting Rates	04	Privatisation Issues	36
UK Stock Market Report	01	Bullion Report	05	Water Shares	39
UK Company News	02	Wall St Report	20	Electricity Shares	40
Foreign Exchange	03	Tokyo Market	21	High Street Banks	41

Anyone with a time-laid telephone can use this service. For a detailed description of the Independent Index, including its portfolio locally, phone 0891 123 333.

For assistance, call our helpline 077 673 4375 (9.30am - 5.30pm).

© 1995 Independent Index. All rights reserved. No part of this publication may be reproduced without permission in writing from the publisher.

Anyone with a time-share telephone can use this service. For a detailed description of The Independent Index, including its portfolio facility, phone 0891 333 333.

For assistance, call our helpline 0771 673 4375 (9.30am - 5.30pm).

Calls cost 39p per minute (cheap rates), and 49p at all other times. Call charges include

## Market leaders: Top 20 volumes

Stock	Volume	Stock	Volume	Stock	Volume
-------	--------	-------	--------	-------	--------

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----

ST	Vol	ST	Vol	ST	Vol
----	-----	----	-----	----	-----



# The wage gap leaves women in part-time ghettos

Women make up nearly half of Britain's total workforce, thanks to a huge rise in their participation in the labour market during the past 20 years. Those years have coincided with the operation of equal pay and sex discrimination legislation introduced by the last Labour government.

The good news is that pay inequalities between men and women have shrunk during that time. The bad news is that they have not been eliminated. The lead of men's wages over women's has declined from a whopping 58 per cent in the early 1970s to around a quarter in the 1990s.

On top of that, there is new evidence of a growing polarisation in the jobs market between part-timers – mainly women – and full-timers, men and women. In the late 1970s, part-time women's hourly wages were about 80 per cent of full-timers pay. By the early 1990s they had dropped to 72 per cent.

The gender gap has been overtaken by a status gap, and it has widening implications for the British economy. The jobs market is polarising into a shrinking high-skill, high-pay part-time segment and a rapidly growing low-skill, low-pay part-time segment. This is not a sensible strategy for an economy whose most serious problem has been repeatedly diagnosed as a lack of skills.

A recent Department for Education and Employment working paper written by two City University researchers analyses



## ECONOMIC VIEW DIANE COYLE

the pattern of pay for two groups of people for whom information on education, family circumstances and jobs in a particular year is available. The data gives a detailed snapshot of a large group of 32-year-olds in 1978 and 33-year-olds in 1991. Between those two years women's participation in work, especially part-time, increased dramatically. In 1978 nearly one in five women worked full-time and nearly as many part-time. In 1991, 23 per cent worked full-time and 58 per cent part-time.

Men in the 1978 group had a pay lead of 64 per cent on full-time women, and 36 per cent on part-time women. Full-time women's pay was 40 per cent higher than for part-time women. By 1991 these gaps had changed.

to 40 per cent, 20 per cent and 52 per cent respectively. Hourly wages for men were £7.38, for full-time women £6.14 and for part-time women £4.04.

The authors, Pierella Paci and Heather Joshi, look at all the possible explanations for these changes furnished by economic theory and try to measure their separate contributions. Any parts of the wage gaps unexplained by the theories represent raw discrimination.

The central element of an economist's attempt to rationalise unequal pay is the notion of human capital. Workers are rewarded for their productivity, which depends on their educational attainments, other skills and job experience. More training and more experience build

human capital, while episodes out of a job diminish it.

There was a marked improvement in these measures of women's human capital between the 1978 and 1991 groups. For example, among the first group – born in 1946 – 8 per cent of full-timers and 2 per cent of part-timers had a university degree, compared with 10 per cent of men. In the later generation – born in 1958 – full-time women were more likely than men to have a degree, at 17 per cent versus 15 per cent. But only 7 per cent of part-time women had qualifications at that level. There were similar increases in women's job experience and tenure between the two groups.

Not surprisingly, improving educational standards turn out to provide part of the explanation for the observed changes in wage gaps. Not very much, though – after all, full-time women are now better qualified on average than full-time men, but still get paid less. As the recent special women's issue of the *New Yorker* observed, there is no such thing as a glass ceiling – it is a very dense layer of men.

The DFEE paper then turns to the other possible theoretical explanation, which is that women and men have different sorts of jobs. Industries can have varying market structures and compensating job characteristics which could explain different wage rates. There are clearly "female ghettos" in the labour market. The highest concentrations of men are in industries such as engineering and transport. Full-time women



Women at work: Job characteristics explain much of the wage gap

are concentrated in finance and education. Part-time women are most concentrated in catering. Part-timers are also more likely to work for small firms. Taken together with the human capital explanation, job characteristics help explain a lot more of the wage gap – especially the difference between full and part-time rates. However, a significant part of the gap between men's and women's pay remains unexplained.

Part of the remainder – a small part – is due to the well-known puzzle to motherhood. While bosses often reward male employees for their parenthood with a pay rise, clever things, mothers' pay suffers. The authors note, however, that this decline in earnings power affects only women who quit their job. Those who take maternity leave and return to the same employer are not penalised.

These findings are fascinat-

ing in themselves but also lead to some important conclusions. First, even though sex discrimination in pay is not yet a thing of the past, employers have in full-time women a resource which is more skilled and productive than male employees. This ought to make firms keen to conserve their stock of female human capital by introducing family-friendly policies such as flexible hours, maternity leave and child care.

This keenness is, however, noticeably absent. In today's tough labour market such measures are seen as unnecessary luxuries.

Heather Joshi observes: "There is a clear trend towards casualisation and a cheap labour strategy. Government policy has favoured that strategy rather than the alternative of nurturing the quality of labour."

This effect of labour market deregulation is at odds with the Government's repeated desire to see Britain compete effectively in high-skill, high-value-added industries.

Secondly, this trend means the pattern of employment is polarising between haves and have-nots. Ms Joshi says: "To compete for secure and well-paying jobs, people on the inside are working themselves like crazy. People on the outside are insecure and badly paid. It reduces the quality of everybody's life and the quality of their work."

Unfortunately, there is not much evidence that this increasing polarisation is slowing down. If anything, the reverse. There will be no change in the trend without government policies that encourage firms to enhance their man and woman-power rather than exploit it.

\* Wage differentials between men and women, Pierella Paci and Heather Joshi, Department for Education and Employment, research paper no. 71, Jan 1996.

### Foreign Exchange Rates

Country	Spot	1 month	3 months
US	1.5364	8.4	25.22
Canada	2.0893	11.3	30.37
Germany	2.2703	92.45	197.47
France	7.7733	91.11	308.308
Italy	238.34	95.39	316
Japan	163.75	78.74	235.238
ECU	12.252	15.11	45.40
Belgium	46.893	12.9	34.29
Denmark	6.7878	138.55	317.507
Netherlands	25.49	63.54	193.175
Ireland	0.7926	9.5	25.30
Norway	8.8648	16.64	329.233
Sweden	9.007	39.48	177.194
Spain	16.81	9.75	29.24
Switzerland	123.14	98.89	200.88
Australia	1.9813	20.31	67.83
Hong Kong	118.78	101.61	224.70
Malaysia	3.2902	0.0	0.0
New Zealand	2.3255	45.57	133.56
Saudi Arabia	5.7820	0.0	0.0
Singapore	2.3294	0.0	0.0

Forward rates quoted here are at a discount. Dollar rates quoted here are at a premium.

\* Dollar rates quoted here are at a discount. For the latest foreign exchange rates call 081 321 3035.

Cable cost 36p per minute (cheap rate) 43p other times.

### Interest Rates

Country	5yr	10yr	15yr	30yr
UK	6.00%	6.00%	6.00%	6.00%
France	5.00%	5.00%	5.00%	5.00%
Germany	5.00%	5.00%	5.00%	5.00%
Italy	5.00%	5.00%	5.00%	5.00%
Japan	5.00%	5.00%	5.00%	5.00%

### Bond Yields

Country	5yr	10yr	15yr	30yr
UK	6.00%	6.00%	6.00%	6.00%
France	5.00%	5.00%	5.00%	5.00%
Germany	5.00%	5.00%	5.00%	5.00%
Italy	5.00%	5.00%	5.00%	5.00%
Japan	5.00%	5.00%	5.00%	5.00%

### Money Market Rates

Instrument	Rate
3m Bank Bill	5.00%
6m Bank Bill	5.00%
12m Bank Bill	5.00%
3m Govt Bond	5.00%
6m Govt Bond	5.00%
12m Govt Bond	5.00%

### Life Financial Futures

Contract	Settlement	High/Low	Open
Long Call (Mar 96)	106.08	106.08	106.08
Long Put (Mar 96)	106.08	106.08	106.08
Short Call (Mar 96)	106.08	106.08	106.08
Short Put (Mar 96)	106.08	106.08	106.08

### Life FT-SE Index Option

Settlement	Settlement	Settlement	Settlement
Settlement	Settlement	Settlement	Settlement
Settlement	Settlement	Settlement	Settlement
Settlement	Settlement	Settlement	Settlement

### Industrial Metals

Commodity	Price
Aluminum	1,234.56
Copper	1,234.56
Gold	1,234.56
Iron	1,234.56
Nickel	1,234.56
Palladium	1,234.56
Platinum	1,234.56
Silver	1,234.56
Tin	1,234.56
Zinc	1,234.56

### Precious Metals

Commodity	Price
Gold	1,234.56
Silver	1,234.56
Palladium	1,234.56
Platinum	1,234.56
Rhodium	1,234.56
Rosin	1,234.56
Sulfur	1,234.56
Tin	1,234.56
Zinc	1,234.56

### Other Spot Rates

Country	Spot	Dollar
Argentina	15.364	0.0000
Brazil	15.364	0.0000
Canada	15.364	0.0000
France	15.364	0.0000
Germany	15.364	0.0000
Italy	15.364	0.0000
Japan	15.364	0.0000
UK	15.364	0.0000
US	15.364	0.0000

### Tourist Rates

Country	Rate
France	15.364
Germany	15.364
Italy	15.364
Japan	15.364
UK	15.364
US	15.364

### Latest Unit Trust Prices

Unit Trust	Price
Unit Trust 1	15.364
Unit Trust 2	15.364
Unit Trust 3	15.364
Unit Trust 4	15.364
Unit Trust 5	15.364
Unit Trust 6	15.364
Unit Trust 7	15.364
Unit Trust 8	15.364
Unit Trust 9	15.364
Unit Trust 10	15.364

### Stock

Stock	Price
Stock 1	15.364
Stock 2	15.364
Stock 3	15.364
Stock 4	15.364
Stock 5	15.364
Stock 6	15.364
Stock 7	15.364
Stock 8	15.364
Stock 9	15.364
Stock 10	15.364

### Stock

Stock	Price
Stock 1	15.364
Stock 2	15.364
Stock 3	15.364
Stock 4	15.364
Stock 5	15.364
Stock 6	15.364
Stock 7	15.364
Stock 8	15.364
Stock 9	15.364
Stock 10	15.364

### Stock

Stock	Price
Stock 1	15.364
Stock 2	15.364
Stock 3	15.364
Stock 4	15.364
Stock 5	15.364
Stock 6	15.364
Stock 7	15.364
Stock 8	15.364
Stock 9	15.364
Stock 10	15.364

### Stock

Stock	Price
Stock 1	15.364
Stock 2	15.364
Stock 3	15.364
Stock 4	15.364
Stock 5	15.364
Stock 6	15.364
Stock 7	15.364
Stock 8	15.364
Stock 9	15.364
Stock 10	15.364

### Stock

Stock	Price
Stock 1	15.364
Stock 2	15.364
Stock 3	15.364
Stock 4	15.364
Stock 5	15.364
Stock 6	15.364
Stock 7	15.364
Stock 8	15.364
Stock 9	15.364
Stock 10	15.364

### Stock

Stock	Price
Stock 1	15.364
Stock 2	15.364
Stock 3	15.364
Stock 4	15.364
Stock 5	15.364
Stock 6	15.364
Stock 7	15.364
Stock 8	15.364
Stock 9	15.364
Stock 10	15.364

### Stock

Stock	Price
Stock 1	15.364
Stock 2	15.364
Stock 3	15.364
Stock 4	15.364
Stock 5	15.364
Stock 6	15.364
Stock 7	15.364
Stock 8	15.364
Stock 9	15.364
Stock 10	15.364

### Stock

Stock	Price
Stock 1	15.364
Stock 2	15.364
Stock 3	15.364
Stock 4	15.364
Stock 5	15.364
Stock 6	15.364
Stock 7	15.364
Stock 8	15.364
Stock 9	15.364
Stock 10	15.364

### Stock

Stock	Price
Stock 1	15.364
Stock 2	15.364
Stock 3	15.364
Stock 4	15.364
Stock 5	15.364
Stock 6	15.364
Stock 7	15.364
Stock 8	15.364
Stock 9	15.364
Stock 10	15.364

### Stock

Stock	Price
Stock 1	15.364
Stock 2	15.364
Stock 3	15.364
Stock 4	15.364
Stock 5	15.364
Stock 6	15.364
Stock 7	15.364
Stock 8	15.364
Stock 9	15.364
Stock 10	15.364

### Stock

Stock	Price
Stock 1	15.364
Stock 2	15.364
Stock 3	15.364
Stock 4	15.364
Stock 5	15.364
Stock 6	15.364
Stock 7	15.364
Stock 8	15.364
Stock 9	15.364
Stock 10	15.364

### Stock

Stock	Price
Stock 1	15.364
Stock 2	15.364
Stock 3	15.364
Stock 4	15.364
Stock 5	15.364
Stock 6	15.364
Stock 7	15.364
Stock 8	15.364
Stock 9	15.364
Stock 10	15.364

### Stock

Stock	Price
Stock 1	15.364
Stock 2	15.364
Stock 3	15.364
Stock 4	15.364
Stock 5	15.364
Stock 6	15.364
Stock 7	15.364
Stock 8	15.364
Stock 9	15.364
Stock 10	15.364

### Stock

Stock	Price
Stock 1	15.364
Stock 2	15.364
Stock 3	15.364
Stock 4	15.364
Stock 5	15.364
Stock 6	15.364
Stock 7	15.364
Stock 8	15.364
Stock 9	15.364
Stock 10	15.364

### Stock

Stock	Price
Stock 1	15.364
Stock 2	15.364
Stock 3	15.364
Stock 4	15.364
Stock 5	15.364
Stock 6	15.364
Stock 7	15.364
Stock 8	15.364
Stock 9	15.364
Stock 10	15.364

### Stock

U.S. Emerging Cos.	337.8	367.9	152
Asia Pacific	337.8	367.9	21.0
Japan	337.7	334.7	150.0
European	331.8	331.8	0.37
India Linked Cos.	76.8	76.8	0.21
Latin America	331.8	331.8	0.67
Emerg. Emerging Cos.	359.1	359.1	0.00
Pacific	256.3	256.3	0.77
Emerging Mkts	172.4	172.4	3.34
Emerg. Asia Pacific	172.4	172.4	0.54
India Linked Cos.	76.8	76.8	0.21
India S&P Cos. U.S.	163.8	163.8	1.73
India S&P USA	163.8	163.8	1.24
Overseas Bond Strategy	573.9	573.9	15.02
Overseas Bond Portfolio	573.9	573.9	15.02
Managed Equity	754.7	753.9	
Mid Term Balance	104.6	117.2	
Long Term Balance	170.1	176.6	
U.S. Emerging Cos.	337.8	367.9	
U.S. Emerging Cos.	752.4	752.4	
American	433.8	433.8	
Japan	414.4	414.4	
Europe	146.7	146.7	
Fixed Income	24.1	23.9	
India Linked Cos.	76.7	76.7	
Diversif.	35.4	35.4	















# SPORT

## Liverpool shatter Leeds' ambition

**Football**  
**JON CULLEY**  
Liverpool  
Leeds United



Liverpool advanced handsomely into an FA Cup semi-final against Aston Villa in last night's Anfield replay. Steve McManaman taking the starring role with two of their three second-half goals after Leeds' attempts to resist finally cracked against a double ambition.

After the tedious stalemate at Elland Road 11 days ago, the expectation was that last night's re-match would be approached with no less caution.

In fact, it was a much more open contest. Leeds had restored Gary McAllister and Tony Yeboah to their starting line-up after resting both in last Sunday's Premiership draw against Everton. Howard Wilkinson also played Gary Speed, four weeks after sustaining his cheek-bone fracture.

Yeboah's early inclinations were positive but he proved less of a threat initially than Leeds themselves encountered from McManaman's runs through the middle against the youthful Mark Ford. If anyone seemed capable of opening up the tie with an early goal it was one of these forwards, the Ghanaian and the Englishman. McManaman posted the first encouraging notice with a 10th-minute attempt dragged wide, to which Yeboah responded with a range-finder of his own that David James followed past his left hand post.

After his rest, the African seemed hungry to be involved and it took the solid intervention of the recalled England defender Mark Wright to deny him after McAllister pushed a ball into his path. Later, running on to Brian Deane's flick, Yeboah unleashed a drive that did not clear the crossbar by much.

The first half embraced considerably more incidents, much more than the full 90 minutes at Leeds. Jason McAteer was crucially beaten to Stan Collymore's cross by Nigel Worthington, but McManaman was wasteful after Yeboah got himself into trouble allowing the Liverpool forward a clear run and shot. Meanwhile Ford, cautioned for a foul on McManaman, was relieved only to be lectured after following through unnecessarily on Rob Jones.

Leeds worked hard to maintain their defensive discipline but the second half began with Liverpool gathering momentum. Robbie Fowler, taking the ball away from Lucas Radebe, had no power in his shot before two more daring runs by McManaman further threatened Leeds' security.

These proved to be the portents of the goal that broke the deadlock after 148 goalless minutes in the tie. Fowler's right-to-left diagonal ball was controlled by Jones, whose lay-off allowed McManaman to create a different angle for himself on his left-foot before shooting high into the net to John Lukic's right.

There was more to come from the England man in the shape of the second goal. Lukic had kept them in the contest once, smothering Collymore's attempt at close-range, but could do nothing to protect his goal when a sublime one-two with Fowler after 73 minutes, left McManaman, in the clear, able virtually to pass the ball into the net.

Liverpool made sure of their progress six minutes from the end when Fowler splendidly lifted the ball over the Leeds wall to score direct from a free-kick.

Liverpool 1-4-1-2: James; Wright, Scalls, Rodgers, McAteer, Thomas, Barnes, Jones; McManaman, Fowler, Collymore. Substitutes not used: Ryan, Boulden, Warner (L). Leeds 1-3-2-1: Lukic; Kelly, Palmer, Pennington, Radebe, Worthington, Ford (G), 60; McAllister, Speed, Deane, Yeboah. Substitutes not used: Beasley, Brier. Referee: D. Gough (Barnsley). More reports, results, page 26



Mark Ford (left), of Leeds, and Liverpool's Robbie Fowler tussle at Anfield last night. Photograph: David Ashdown

### Harford bids for Flitcroft

Blackburn Rovers made two surprise moves in the transfer market yesterday, offering Manchester City £4m for midfielder Gary Flitcroft and Grimsby Town £1m for full-back Gary Croft.

City, battling to stave off relegation, are likely to accept the offer to create funds for new signings. The loss for City is mitigated by the fact they were expected to lose Flitcroft for disciplinary reasons in the relegation run-in.

Croft, a former England Under-21 defender, would replace Graeme Le Saux, who is recovering from a broken leg.

### Duberry destroys Dons

**MIKE ROWBOTTOM**  
Wimbledon  
Chelsea

Chelsea became London's one hope for a major trophy this season as goals in the final 10 minutes of last night's tumultuous FA Cup quarter-final replay from Michael Duberry and Mark Hughes earned them a semi-final tie against Manchester United.

After Dennis Wise had missed a penalty Chelsea appeared to have lost the initiative when Wimbledon equalised before half-time. But the match turned again as Duberry headed home John Spencer's cross in the 80th minute. Four minutes later Hughes tapped in a third following the last of many inspirational contributions from Ruud Gullit.

Wimbledon began without their leading scorer, Dean Holdsworth, whose header at Stamford Bridge had earned a replay. A long shot from Oyvind Leonhardsen and a diving header from Vinnie Jones gave Chelsea cause for unease within the first quarter of an hour.

The visitors, orchestrated by Gullit, passed fit after the 20th minute, a smooth interchange of passes of the kind which has typified Chelsea's play this season ended with Craig Burley knocking the ball inside Wimbledon's left-back, Alan Kimble, to send Dan Petrescu to the right byline. The Romanian international chose to shoot rather than cross and gave Chelsea the lead with a drive high into the far corner of the net.

Hughes, with a close-range header, and Wise, with a low drive, nearly doubled the margin within two minutes. When Petrescu beat the defensive cover again in the 24th minute and Kimble brought him down, the match appeared to have tipped decisively.

Wise, however, tried unsuccessfully to place the penalty inside the post, allowing Neil Sullivan to intercept.

Inevitably, as Wimbledon swept forward, the chance of a break was there, and Gullit nearly broke the post with a 35th-minute drive after a meandering run.

But the pressure told in the 38th minute as Efan Ekoku's near-post cross from the right was glanced home by Jon Goodman's forehead.

Chelsea might still have gone in with a half-time lead after a free-kick from Wise - who earned a booking for delaying it - found David Lee completely unmarked at the far post. However, the giant defender drove over the bar.

There was similar lack of composure in the Chelsea defence early in the second half. First, Goodman narrowly failed to profit from a weak back-header, and then Robbie Earle, unmarked, drove wide.

The pace of the match remained unrelenting, and a foul on Hughes earned Kenny Cunningham a booking to add to that of his Wimbledon team-mate Mick Harford, who had flattened Terry Phelan in the first half.

Wimbledon 14-2-1: Sullivan, Cunningham, Crook, 63; Rodwell, Perry, Kimble, Earle, Jones, Leonhardsen, Goodman, Burley, Harford (G), 63. Substitutes not used: Thomas, Chelver, 63-67; Hutchinson, Clarke, Dempsey, Lee, Clarke, Petrescu, Gullit (P), 69, 80, 81. Substitutes not used: Johnson, Hughes, Substitutes not used: Rouse, Harford, G. Willard (Worthington).

## Cantona on cue again for United

**PHIL SHAW**  
Manchester United  
Arsenal

Britain's biggest gathering this season, the first of more than 50,000, left Old Trafford with mixed feelings last night. Their delight at Manchester United's victory, secured by Eric Cantona's stunning 65th-minute goal, was tinged with disappointment that all their pressure on Arsenal did not produce the second which would have dislodged Newcastle from the Premiership's summit.

Like the leaders on Monday, United made enough openings to win several games, but they were thankful that Peter Schmeichel was sufficiently alert to thwart both Glenn Helder and John Harton in the closing stages.

For much of the first half, the Arsenal goal was under siege. In only the fourth minute, a flurry of first-time touches gave Ryan Giggs a chance which forced David Seaman into the first of several excellent saves.

Seaman's right hand post twice came to Arsenal's rescue. After 10 minutes, Roy Keane's diagonal drive came back off the upright, surprising Lee Sharpe, who failed to respond as the ball fell to him barely a yard out. Andy Cole's follow-up shot was blocked with some desperation.

As if Seaman were not preoccupied with stemming the crimson tide, David Platt put him under pressure with an ill-judged back-pass. Unfortunately for United, Cole had to turn before taking aim, which allowed the keeper to impose his body in the way. The deflected shot bobbed to safety off the same piece of woodwork.

Several audacious dummies, notably by Eric Cantona, added to Arsenal's bewilderment, though the more conventional route of the far-post cross brought United their best opportunities before the interval. Sharpe was the provider and

Cole the target, but his first header was diverted behind by Andy Linington and the second found Seaman plunging to catch.

Arsenal's counter-attacks were few and far between. Harton, sent through by Paul Morrison, gave Philip Neville a chance to show the ability that have brought an England call-up. Harton also broke out midway through the first half, but supplied Ian Wright when Dennis Bergkamp was unmarked and screaming for the ball. Wright, forced wide, failed to trouble Peter Schmeichel but the United keeper had to make a crucial reflex save early in the second half.

Phil Neville's clearance dropped nicely for Harton, who's drive was on its way into the net until Schmeichel soaked out his right foot.

Otherwise, it was one-way traffic, even if United failed to use all the space they had found in the first half. David Hillier risked conceding a penalty with a meaty challenge on Nicky Butt, while David May suddenly materialised in the Arsenal area with space and time to test Seaman. The ensuing shot, high into the Stretford End, resembled a defender's clearance.

With United struggling to recapture their fluency, it was not surprise to see Paul Scholes taking over from the frustrated Cole. However, just when Arsenal were starting to look altogether more comfortable their goal fell.

There appeared little imminent danger as Cantona moved on to a back clearance 25 yards out. Arsenal clearly thought as much, failing to close down the Frenchman as he drew back his right foot. A vicious shot dipped over Seaman and struck the underside of the bar before nestling in the net.

Manchester United 14-2-1: Schmeichel; G. Neville, Bruce, May, P. Neville, Giggs, Butt, Keane, Sharpe, Cantona, Cole, Scudamore, 50. Substitutes not used: McClair, Beardsley, Arnesen, 15-2-1-2; Seaman; Dixon, Keown, Linington, Marshall, Winterburn, Platt, Morrison (G), 69; Bergkamp, Platt, P. Wright, Harton. Substitutes not used: Rouse, Harford, G. Willard (Worthington).

THE INDEPENDENT CROSSWORD  
in association with

**CHARLES WELLS** **BOMBARDIER**  
PREMIUM BITTER

No. 2940, Thursday 21 March By Mass Yesterday's Solution

1 Possible outcome of a sitting? (8)

5 Diversions, right for cutting jams (6)

9 Bound to have a bet on this swift runner? (8)

10 Baroque pelmet in mosque (6)

11 Card inscribed with a Southern city office (8)

12 Viewing act that's very good in performing seat (6)

14 Fault registers, with craftsmen (10)

18 One cycle on track's colourful (10)

22 Early mate around edge of board? (6)

23 Support reinforced by end column (8)

24 Preserved to some extent, and old (6)

25 Latest issue calls for an appendix (8)

26 Concentrate, depicting swan on river (6)

27 Aversion to Labour shown when the lead swings? (8)

1 Queues formed by the French entering matches (6)

2 Quite a scoundrel with a lady (6)

3 Partiality in quarrel is headstrong (6)

4 What's the matter? (10)

6 Short rest in factory's agreeable (8)

7 Went to service with Edward (8)

8 Like bramble jelly, not ranked highly? (8)

13 Catholic writer none cured about (4-6)

15 Bent - therefore, adjusted (8)

16 It's usually aimed at the butts (8)

17 Man from Middle East's seen struggling with Abel (8)

19 Your setter's trendy - into grass! (6)

20 Work in stone split (6)

21 Accepts touch of garlic on hams (6)

Win a Weekend Break or a case of Bombardier Premium Bitter  
CALL 0891 311 017

When you have the answers to the first three clues across AND the first three clues down phone 0891 311 017 and leave your answers with your name, address and daytime telephone number by midnight tonight. Each day there is a case of Charles Wells Bombardier Premium Bitter to win. PLUS from all entries for the week a winner will be selected for a Weekend for two in a Charles Wells Country Hotel. Calls cost 37p per minute cheap rate, 49p per minute all other times. Winners will be selected at random from all correct entries received. No cash alternative. Normal Newspaper Publishing rules apply. Editor's decision is final. Winners' names can be obtained by sending an SAE to: Charles Wells Crossword, Unit A, Buxton House, St Peter's Road, Maidenhead SL6 7QU

### Railway hits Euro 96 buffers

A railway company yesterday scored a spectacular twin goal when it let slip that football supporters would not be encouraged to travel to this summer's European Championship finals on its trains because it has not got enough rolling stock to carry them.

Regional Railways North East said its decision had been taken "purely for capacity reasons" and there was no question of the company discriminating against football fans.

June is a very busy month for us and we thought it only fair to regular travellers and to fans not to promote train travel to the games," a North East spokesman said.

The company still expects to carry spectators to matches at Liverpool, Manchester, Leeds and Newcastle, but a leaked letter written by a North East manager to a rival company, North West Regional Railways, showed that North East would not actively promote rail travel for the matches.

Scarborough Council, which has spent £25,000 on hotel and food for the Bulgarian team and officials in order to attract around 2,000 of their fans to stay at the resort, has called a special meeting to discuss the letter.

The victorious Australian Rugby League is due to start its own competition this weekend - two weeks' late - but will be without scores of the best players in the country, who are adamant that they will not play for the ARL following the failure of compromise moves.

The ARL will undoubtedly go to court again to try to get orders stopping the launch of the Global League. Although Lindsay and the players say they are complying with the court orders by having nothing to do with Super League's backers at News Corporation, the ARL will argue that Global League is merely a Trojan horse, pointing out that Lindsay is also Super League's chief executive in Europe.

Lindsay believes that setting up the Global League could res-

ter. The Bulgarians and other fans in Scarborough have to travel to York for connections to Leeds and Newcastle.

Don Robinson, a Scarborough businessman, said: "Rail bosses are planning an icy welcome for visitors to Euro 96, the biggest sporting event in Britain for 30 years. I'm staggered by their attitude."

The Shadow Minister for Sport and Tourism, Tom Hendry, said he found the decision "incredible and a terrible advertisement for Britain", while Labour transport spokesman Brian Wilson said the decision was "absurd and offensive".

### Lindsay sets up Global League

**Rugby League**  
**DAVE HADFIELD**

A saga with more twists and turns than a Henry Paul run has taken a fresh tack with the announcement of a Global League featuring the 311 players aligned with Super League in Australia and set up on their behalf by Maurice Lindsay.

The Rugby League's chief executive has drawn up a fixture list for a 10-team competition, although it is not known where the new teams will play or what they will be called.

The move is the latest attempt to find a way round a judge's ruling that Rupert Murdoch's Australian Super League cannot start before the year 2000.

The victorious Australian Rugby League is due to start its own competition this weekend - two weeks' late - but will be without scores of the best players in the country, who are adamant that they will not play for the ARL following the failure of compromise moves.

The ARL will undoubtedly go to court again to try to get orders stopping the launch of the Global League. Although Lindsay and the players say they are complying with the court orders by having nothing to do with Super League's backers at News Corporation, the ARL will argue that Global League is merely a Trojan horse, pointing out that Lindsay is also Super League's chief executive in Europe.

Lindsay believes that setting up the Global League could res-

cue the World Club Championship, with which the Super League seasons in both hemispheres were meant to climax.

"The Rugby Football League in England are not actively investing in the competition, although they are of course allowing me to put the Global League structure together," Lindsay said in Sydney yesterday, adding that he had sponsorship and television deals in negotiation.

The ARL chairman, Ken Arthurson, has said that he is prepared to fly to England for "peace" talks with the RFL aimed at solving the impasse over international fixtures. The deputy speaker of the House of Commons, Sir Geoffrey Lofthouse, has been asked to chair any meeting.

**TORONTO WITH NIAGARA**

BA 747 from Heathrow to Toronto on 23 May, 11 Aug, 30 Aug or 14 Sept. • five nights at the deluxe Sheraton • city tour • harbour cruise

• Niagara with helicopter • Phantom of the Opera • Concorde supersonic to Heathrow £1,999 or £2,999 with O.E. and QE2 cruise to New York

**QE2 AND ORIENT-EXPRESS**

Orient-Express to Southampton on 17 June • four night QE2 cruise to Zeebrugge via Hamburg and Amsterdam • Concorde from Brussels £1,299

Concorde supersonic to Brussels on 21 June • two night QE2 cruise to Southampton via Le Havre (for Paris) • Orient-Express to Victoria £1,099

Concorde supersonic to Reykjavik on 8 July • nine night QE2 Land of the Midnight Sun cruise to the Norwegian Fjords • Orient-Express from Southampton to Victoria £2,499

**MONACO GRAND PRIX**

Eurostar or fly to Paris on 18 May • city tour • overnight at Nikko Hotel • Concorde supersonic to Nice • reserved seat for Monaco Grand Prix • return to Gatwick £1,299

**ORIANA AND ORIENT-EXPRESS**

Concorde supersonic to Marrakesh on 29 July • six night Oriana cruise from Casablanca via Praia da Rocha, Lisbon and La Coruna • Orient-Express from Southampton £1,999

Orient-Express to Southampton on 31 Aug • six night Oriana cruise to Monte Carlo via Gibraltar and Livorno (for Florence) • Concorde from Nice to Heathrow £1,999

For our full colour brochure, please telephone:

**0181-992 6991**  
or write to  
**SUPERALTRAVEL**  
43, Woodhurst Road, London, W3 6SS